The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Is China Drifting Into Cooperation with Japan?

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Recent Developments in Manchuria and the Present Status of "Manchukuo" . . . By Dr. Ben Dorfman

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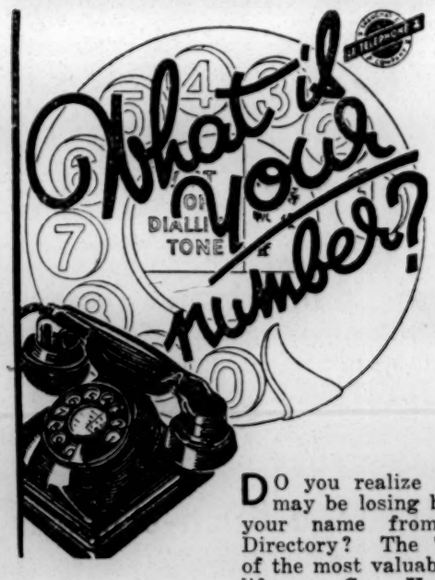

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

"ORIENTAL AFFAIRS" NOT AMERICAN OWNED—T. O. THACKREY

T. O. THACKREY, President of the Post Mercury Company, which is an American firm has written a letter to *The Review* in which he stated that the monthly magazine *Oriental Affairs* is the property of H. G. W. Woodhead, who is a British subject, hence the magazine is a British enterprise. Mr. Thackrey stated emphatically that while Woodhead's magazine is printed by the Post Mercury Press, it definitely is not owned by them and that the real ownership of the journal is indicated by the printed line on the front cover which states that it is "Edited and Published by H. G. W. Woodhead, C. B. E." Mr. Thackrey's letter on the subject was inspired by an editorial reference to *Oriental Affairs* which appeared in these columns on July 21 which stated that there appeared to be some doubt about the actual ownership of the journal, because among other things, it carried an advertisement which stated that "copies of the first six issues can still be obtained from the publishers, *The Mercury Press*," which, as stated in the foregoing, is an American enterprise. This advertisement appeared not only in the June issue, but was repeated in the July issue, after the controversy had developed over the action of the Chinese Government Post Office in banning the journal from transmission through the Chinese mails. However, this advertisement was changed in the latest or August issue to read as follows, "Copies of the first eight issues can still be obtained from the publishers, *Oriental Affairs*." In addition to this the local Shanghai Directory issued by the *North-China Daily News*, lists the Post-Mercury Press (Fed. Inc. U. S. A.) as proprietors of *Oriental Affairs*. Also, the Shanghai Dollar Directory, which is published by the Post Mercury Press, merely listed in its January and July issues the fact that Woodhead was "editor" of *Oriental Affairs*, but said nothing about the ownership of the journal. However, we are glad to comply with Mr. Thackrey's request that a correction be published.

The *Shanghai Evening Post* on August 21 published a long explanation of the status of

Oriental Affairs in the course of which Mr. Thackrey, the editor of the *Post* definitely dis-associated himself, his paper and, in fact any Americans "individually or collectively" from the Woodhead journalistic venture which Mr. Thackrey alleged was a British enterprise. He also said that it was a "private company, with no stock issued and is not incorporated nor limited."

Mr. Thackrey, complained in the course of his editorial, that *The China Weekly Review* in company with other publications in Shanghai had been engaged in an attempt to bring pressure on the *Shanghai Evening Post* and the Mercury Press, through allegations that there appeared to be some question regarding the actual awnership of Woodhead's magazine. Of course we cannot speak for other journals, but we can say on behalf of *The Review* that we have harbored no such intentions.

Had Mr. Thackrey frankly stated at the very beginning when Woodhead's magazine venture was launched, that it was a 100 percent British Journal and had no possible connection with Americans or American interests, he would have saved himself and his newspaper considerable embarassment. Also, in the interest of truth and accuracy, Mr. Thackrey should have exercised greater care regarding the listing of *Oriental Affairs* in the local hong book wherein it was plainly recorded that the Post-Mercury Press *was the proprietor*. According to our understanding the publishers of the local city directory always mail out blank forms to be filled in with the information desired. Someone, either in the office of the *Evening Post* or *Oriental Affairs* must have erred in this connection and also erred again in an advertisement which appeared in the columns of *Oriental Affairs* for there again it was indicated that the American *Mercury Press* was the publisher. However, as stated in the foregoing, this particular advertisement was changed in the latest, or August number of the journal to indicate that *Oriental Affairs* was published by *Oriental Affairs*, or words to that effect.

It is our sincere hope now that everybody knows who is the owner, editor and publisher of Woodhead's magazine that Mr. Thackrey will be spared any further embarrassment in this connection. However, we fear that Mr. Thackrey will not be able to dis-associate himself entirely from Woodhead's die-hard views for we notice that Woodhead's column still appears in the *Post* once a week.

Mr. Thackrey has made the serious mistake of blaming other persons and publications for his own complications resulting from Woodhead's connection with the *Evening Post*. As Woodhead's writings appeared regularly in the *Post* it was but natural that the public should hold the *Post* responsible. Then when public opposition became too strong for the welfare of the *Post*, Woodhead's column was dropped for five days a week and the new journalistic venture, *Oriental Affairs*, was launched. Since the Post Mercury Press prints *Oriental Affairs* and Woodhead has his office there and still contributes his column to the *Post* once a week, we admit the situation still is a bit confusing, even though *Oriental Affairs* is, as Mr. Thackrey states, a 100 percent British magazine.

The question of the actual ownership or nationality of *Oriental Affairs* became a matter of public interest on August 20 due to the publication of a *Kuomin* message from Nanking (dated Aug. 18) which stated it had been "definitely ascertained that *Oriental Affairs* is and always has been owned by an American Company." The issue naturally arose as a result of the recent British protest, lodged with the Nanking Ministry of Foreign Affairs, over the banning of the circulation of the journal through the Chinese Post Office. The Chinese Government's action was based on the contention that Woodhead's writings in *Oriental Affairs*, and also previously in *The Shanghai Evening Post* were contrary to the welfare of China, particularly with regard to the established policy of the National Government on the Manchurian issue.

Sino-Japanese "Cooperation" and the International Poker Game Around the Pacific

THE most important piece of news published in Shanghai last week, aside from the reports about the Russo-Japanese crisis, was a 40-line *United Press* dispatch from Washington stating that the Foreign Policy Association had caused a sensation by publishing a report alleging that China and Japan had decided to bury their past differences and had agreed upon a form of "cooperation." Although several agencies bring American news to the local foreign and Chinese papers, the *United Press* was the only one to carry this particular report which appeared in the British *North-China Daily News* and the American *Evening Post* and which alleged that Japan had helped Gen. Chiang Kai-shek in the recent anti-red drive in Kiangsi "in order to protect the flank of the Japanese position in Manchuria in the event of hostilities with the Soviet Union. It alleged further that "Japan has strengthened her position of dominance in the Far East since the enunciation of the 'hands off' declaration; that Japan's position was especially benefitted by the conclusion of the arrangement with Nanking providing for through traffic on the Peiping-Mukden railway; that Nanking has given Japan preferential treatment in the recent tariff changes which reduced the rates on Japanese goods and increased them on many products supplied by Europe and America." The report concluded with the allegation that some of the contrasts in the new tariff "seemed designedly provocative."

The Foreign Policy Association, which issued this report is a private incorporated organization

which specializes in investigations into various world diplomatic and economic situations of special interest to the United States. The president of the organization is Raymond Leslie Buell, a native of Chicago who received his education in California, France and Princeton University. He has served as faculty member at Occidental College, Harvard, Columbia, Yale, University of California and the New School of Social Research in New York. Mr. Buell has qualified as an expert investigator into ticklish international problems, including political conditions in Africa, Cuba and elsewhere and among his many books is an authoritative text on the Washington Conference. He also wrote an exhaustive pamphlet on international opium conferences, hence is qualified to discuss Far Eastern matters. The latest bulletin of the Association to be received in Shanghai deals with "Political Ferment in France," hence there is no reason for Chinese officials to feel that their country is being singled out for special treatment. As a matter of fact there have been numerous recent articles in the American newspapers and magazines pointing toward the apparent drift of China into a position which, outwardly at least, has the appearance of a Sino-Japanese alliance, or, as some put it, China appears to be on the road toward amalgamation into the Imperial Japanese Empire system as a sort of "protected" state. Grover Clark, long experienced in newspaper work in China and now editor of the Oriental department of *Current History*, referred in the August issue of that magazine to the "alarming" increase of Japanese activities in China, including pressure to collect her defaulted debts, the threatened revival of the notorious Anfu Clique and their equally notorious Exchange Bank through which the Japanese advanced the immoral Nishihara loans to China when other nations were occupied in the World War. Mr. Clark also referred to the recent incident in the Hongkew section of Shanghai, indicating a Japanese attempt to obtain a predominant voice in the International Settlement.

Whether these various indications of Chinese drift toward Japan constitute genuine evidence of a "rapprochement" or amalgamation of China and Japan into a military and economic "bloc" or alliance, cannot be definitely stated at this time. The situation has been discussed in these columns previously and while some Chinese are convinced that China is destined to become a "puppet" appendage of the Mikado's empire, others insist that China is only shaking hands with the Tokyo warlords in order to gain time and build up her military strength, hoping fervently in the meantime that something will happen internationally that will have the effect of relieving Japanese pressure. What that "something" might be cannot be defined exactly, but obviously few Chinese would shed any tears if Japan should become involved in a war with Russia, America or Great Britain or all three of them at the same time. However, it must be admitted that many Chinese have been impressed by recent Japanese propaganda which has been directed chiefly at the winning over of two influential classes of the Chinese, the bankers and military leaders. In this particular propaganda the Japanese have attempted to capitalize on their present international complications by telling the Chinese that in the event Japan becomes involved in a major war with an Occidental Power and is defeated, that China again would be exposed to Occidental aggression and pillage somewhat as occurred in the middle of the past century or as occurred at the time of the suppression of the Boxer Rebellion when China was again tied down with a new set of restrictive treaties. Japanese aggression since 1931 has been "excused" as not being directed against China, but against Western interests in China. According to this line of Japanese propaganda, the Japanese army intervened in Manchuria to prevent the extension of Soviet interests, particularly communistic thought, into the area, and Japan intervened at Shanghai and in North China with the object of driving out the other Occidentals, particularly the British and Americans. A further line of Japanese propaganda which allegedly has impressed Chinese bankers and military leaders has emphasized the necessity of "cooperation" between China and Japan to block the development of liberal or so-called democratic ideas among the masses of the people. There is nothing which the present ruling group in Japan fears more than the development of genuine democracy, which, if it succeeded in gaining a foothold, would make short work of the mediaeval, feudalistic system which prevails in the Island Empire. They want none of this in Japan and they know that the development of democracy in China, if it succeeds in the establishment of a modern unified state, might have important repercussions among the Japanese people. Then, finally, there is the very potent Japanese propaganda which tells China's leaders that it is futile for them to depend upon outside help against the might of the Japanese military machine; that no Occidental Power is willing to risk a war with Japan in order to save China, hence China might as well submit not only to Japan's military control of the Manchurian provinces, but to Japan's military domination of all China.

The question of China's diplomatic course in the immediate future is therefore a matter of considerable international interest due to its bearing on the present complications between Japan and the Soviet and upon the forthcoming Disarmament Conference scheduled for 1935. With respect to the Russo-Japanese crisis, it has been rumored for a considerable time that should Japan and Russia come to blows in North Manchuria, that China would assist Japan by permitting the Japanese army to use North China as a base for military operations against Russia's position in Outer- Mongolia. It has even been alleged in foreign diplomatic circles in Peiping that an understanding to this effect already exists between the Imperial Japanese Army and certain Chinese military interests in North China whereby the Japanese would be given permission to use the Chinese Government railways for military opera-

tions in Inner-Mongolia. In regard to the forthcoming Arms Conference to be participated in by America, Britain, France, Italy and Japan, it has been alleged that China will raise no objection to Japan's complete abrogation of the Nine-Power Treaty which constituted the foundation of the various Washington agreements covering not only the guarantee of China's political, territorial and administrative integrity, but also the establishment of definite ratios among the fleets of America, Britain and Japan. This would be tantamount to China's acceptance of the recently announced Japanese "hands off" policy which had as its objective the political, economic and financial control of the entire Chinese nation. Prof. Bruce Hopper of Harvard University, who is well informed on Far Eastern affairs recently declared in the course of an article in the *Christian Science Monitor* that Japanese policy with respect to the establishment of her so-called "rights" in China aims at nothing less than a treaty which would permit Japan to appoint a High Commissioner to Nanking who would have broad powers over China's domestic politics and economics, even to the extent of suppressing boycotts against Japanese goods. Should this eventuate it would have the effect of placing China in a position with respcet to Japan, somewhat in the position of India with respect to Great Britain.

Of course the question immediately arises, What else can China do except submit to the dictation of Japan? The present leaders in the Government probably have been faced with this question in all of its possible variations in recent months and have not received any satisfactory answers. Those Chinese leaders who advocated dependence upon America and the League have been placed in an embarassing position because the members of the Geneva organization have carefully refrained from taking any action which might draw them into military complications with Japan. In consequence they probably have had no other program to offer, despite the fact that they are sorely distressed by the present drift toward Japan. As a matter of fact the only concrete program which probably has been presented has been that of the group of so-called Japanese "experts," including Gen. Huang Fu, head of the Peiping Political Council and his associates, Ying Tung, Li Tsi-yu, Yin Ju-ken, Tao Shan-ming and Lei Shou-yung. What this program is never has been announced but the drift of affairs in North China since the signing of the Tangku Truce leaves little room for misunderstanding. The obvious tendency is in the direction of the creation of another puppet state in the North which would probably embrace all territory to the Yellow River and essentially would not greatly differ from the situation which now prevails in Manchuria. In view of the dark outlook both domestically and internationally many Chinese leaders have become resigned to the situation and have resorted to the old policy of drift, which, in turn has largely been responsible for the reactionary tendencies in various parts of the country against liberalism and modernism. The actions of officials all over the country in banning all indications of modernist tendencies among the people is an obvious indication of the pessimism which prevails generally over the failure of the Nationalist Revolution in achieving its expected objectives in the improvement of the welfare of the people or in enhancing China's international status as an independent nation.

But while many of China's leaders may feel pessimistic over the future outlook, it is by no means certain that Japan will succeed with her present program in the Far East. No one can forecast what is likely to develop from the complications of Japan and Russia in Manchuria or from the present complications among Japan, Britain and America over the question of arms limitation. Also, by no means are world complications limited to the sphere of the Pacific for the present crisis in Germany presents problems just as baffling as those which exist in Japan. Obviously, Japan cannot indefinitely withstand the international military and economic pressure which has developed in spite of the fact that none of the nations represented at the League conference were willing to face the issue when the Manchurian issue was under consideration. Owing to the international suspicion which has developed as a direct result of Japan's actions since 1931, America, Britain and Russia have greatly increased their military strength in the danger zone and practically every nation on the globe has taken steps to restrict Japanese trade. These world developments have not come as a united movement against Japan, but as an involuntary and inevitable development occasioned by the obvious danger. Although it has been impossible, up to the present, to obtain united action, the results have not greatly differed from international action. Just now Japan is making a final desperate attempt to obtain British recognition of Manchukuo and a renewal of the Anglo-Japanese Alliance and while certain elements in Great Britain apparently would be willing to meet the Japanese advances, it is extremely unlikely that Britain again would return voluntarily to a situation which nearly disrupted the empire in 1919 prior to the calling of the Washington Conference.

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In last week's issue of *The Review* there appeared a discussion of recent reports indicating a possible reorientation of British policy with respect to Manchuria and China and also a reference to reports from Washington alleging that while Britain is rapidly developing her defensive position in the Pacific and is taking steps to prevent the Japanese from monopolizing British markets, British diplomats at the same time were trying to manipulate the international situation in such manner that America or Russia might be forced to shoulder the burder of eliminating the Japanese trade and military menace from the Pacific. Now we have a report, written by Walter Duranty in the *New York Times* on July 24 alleging that Britain had not only turned away from her previous pro-German viewpoint and had swung over to support of the Franco-Russian thesis and in

addition had made an equally radical change in her Far Eastern policy. Mr. Duarnty claimed that Britaian is now engaged in changing her whole foreign political outlook and has decided no longer to support Japan. He suggested that Britain had made a deal with the Netherlands to guarantee the Dutch East Indies against possible Japanese aggression, in return for which the Dutch had agreed to allow Britain to make of Holland—as well as Belgium—an advanced frontier against Germany in case of a Franco-German war. Mr. Duranty concluded his statement to the following effect, "The Lion and the Bear are repeating the gestures of friendliness that marked the years before the World War. And once again France is the intermediary and Germany—not to mention Japan—is the potential enemy.

Japanese Army Would Abolish the "Three Ring Circus" in Manchukuo

BEFORE the Imperial Army occupied China's four north-eastern provinces, Japanese interests in that territory were centered in the South Manchuria Railway, a government-controlled enterprise and in the so-called Kwantung Leased Territory which occupies the tip of the Liaotung Peninsula on the southern Manchurian coast. The remainder of Manchuria was administered by the Chinese and Japan's diplomatic interests in the territory were looked after by consular officials in the principal towns. After the Japanese Army had occupied the northeastern provinces and created the puppet state, a treaty was negotiated whereby the Army was given the job of protecting the state against domestic and foreign foes. That had the effect of bringing a third Japanese interest into Manchuria and a powerful one at that, for the comparatively small force of 20,000 or 30,000 troops stationed originally within the railway and Kwantung zones has since been expanded into a vast military organization of some 100,000 troops with aviation, tank, light and heavy artillery and other auxiliary departments. Then, after the puppet state had been created, it became necessary to appoint an "ambassador," this job being given to the Commander-in-Chief of the Army. As an ambassador, under ordinary circumstances, is supposed to represent the foreign office, that brought a further Japanese political element into the Manchurian picture.

Thus, as the situation stands today, when Gen. Shirikiri, Commander-in Chief of the Imperial Japanese Army stationed in Hsinking, capital of Manchukuo, picks up his pen to sign a document, he has to think quickly in order to determine whether he is signing as Ambassador to Manchukuo, Commander of the Japanese Kwantung Army, director-general of the railway, which is under the Ministry of Interior, or as governor-general of the Kwantung Leased Territory which belongs to the Ministry of Overseas Affairs, or whatnot. At a recent futile attempt in Tokyo to unscramble the complications the conference was participated in by the following Japanese officials:

Lieutenant-General Hashimoto	Vice-Minister of War.
Major-General Nagata	Director, Military Affairs Bureau.
Mr. Sigemitsu	Vice-Minister, Foreign Affairs.
Mr. Kuwabara	Director, Eastern Asia Bureau.
Mr. Tsubokami	Vice-Minister of Overseas Affairs.
Mr. Kitashima	Director, Colonial Industrial Bureau.
Mr. Tani	Counsellor, Japanese Embassy in Hsinking.

The *Japan Chronicle*, British paper published at Kobe, recently printed a report about the Japanese muddle in Manchuria under the heading, "One Man, Three Masters—Puzzle of the Status of the Ambassador to Manchukuo." Others in referring to the highest Japanese official in Manchukuo have referred to him as the "Three Headed Monster," or the "Four Faced Buddha." In which connection, one is reminded of the three-ring circuses in the United States which had so much going on at the same time that spectators always had the feeling that they were missing most of the show. However, it is no circus entertainment for the Japanese, who have become so deeply involved in the Manchurian political mire that they have been unable to extricate themselves after pratically three years of effort and the expenditure of so much money that the real leaders of the country are beginning to wonder what the future has in store for the empire. As a matter of fact anyone who tries to negotiate a business deal or settle a claim in Manchuria, whether he is a Japanese or a foreigner, soon finds himself involved in a hopeless tangle of red tape and conflicting jurisdictions and finally gives up in disgust. Recently the English language newspapers in Japan have been publishing long reports on the situation and after the perusal of a few columns, the reader is compelled to give up in depair. Dr. Ben Dorfman, one of the technical advisers to the Lytton Commission, who has spent several years studying the Manchurian situation, recently cited the Japanese administrative muddle in Manchuria as evidence of Japan's failure to solve her so-called Manchurian problem. According to the lengthy reports on the subject now appearing in the Japanese newspapers, the heads of the various departments have each submitted plans for the adjustment of the complications, but the situation appears to be growing worse rather than better.

The main trouble, of course, is due to the efforts of the military authorities to eliminate everybody else and grab the whole show for themselves. With regard to this an official of the Foreign Office was quoted as charging that if the warlords had their way the so-called ambassador to Manchukuo would become in effect a Governor-General, or a High Commissioner and this would mean that the puppet state had been metamorphosed into an outright colony—which, of course, in exactly what the military wants.

Therefore the Tokyo Foreign Office is trying to maintain the status of the "ambassador" as a representative of the diplomatic branch of the government in order to preserve some remnant of Japan's good faith with the rest of the world. But the Army has its own ideas and probably will win out in the long run and thus will be observed another step taken in the Koreanization of China's former northeastern provinces. Specifically the Army wants everything centralized in the Commander-in-Chief and then wants to place him directly under the Premier, which naturally would eliminate the influence of all the other governmental departments and have the effect of making Manchuria an appendage of the War Office. In the meantime, it might be mentioned parenthetically, that the unfortunate "Boy Emperor" Pu Yi, practically has been lost in the scramble and one hears less and less of him as the weeks and months roll by. In order to indicate exactly what the Imperial War Office wants, we publish the following "plan" which was submitted by the Minister of War:

1.—The administrative organs in Manchuria shall be ruled by the Ambassador and the Commander of the Kwantung Garrison, both posts being combined in one person. The Governorship of Kwantung province shall be abolished, and an office of lower status created for the administration of Kwantung province only.

2.—The Ambassador to Manchukuo, in view of the peculiar position of Manchukuo, shall have a status different from ordinary diplomats. He shall be under the direct supervision of the Premier, and amenable to the Foreign Minister's direction and supervision in regard to diplomatic matters only. He shall be vested with the rights of supervising Japanese juridical persons and semi-official companies, in addition to the diplomatic rights, including police, taxation and other rights. He shall further control the head of Kwantung province.

3.—The Commander of the Kwantung Garrison shall look after the maintenance of peace in Manchukuo, and attend to matters relative to joint defence of Japan and Manchukuo.

4.—With the double object of realising the economic control of Japan and Manchukuo and of promoting the common interests and prosperity of the two countries, an Economic Conference shall be set up by treaty, which, consisting of the best brains of both countries, shall study concrete plans of all kinds under the supervision of the Premier. The special service section of the Kwantung Garrison shall be absorbed in a Planning Bureau to be created in Manchukuo separately from the above-mentioned Economic Conference. In future, the Kwantung Garrison shall have only a few economic advisers.

5.—The Police Department, under the jurisdiction of the Ambassador and the Gendarmerie headquarters under that of the Commander of the Kwantung Garrison, shall be dissolved with the abolition of extraterritoriality in Manchukuo at a future date.

6.—The relations between the Kwantung Garrison and the Manchukuo Government shall be left practically as they are.

Then, apparently as a means of clinching the bargain, the Army demands that Gen. Sadao Araki, former War Minister be made Ambassador to Manchukuo—which proposal also has aroused the violent opposition of the Foreign Ministry which expressed apprehension that such an appointment "might be prejudicial to good international relations, because Araki gained such a bad reputation as a militarist while he was War Minister during the prosecution of the Manchurian and Shanghai military campaigns."

But, as suggested in the foregoing, strong opposition has developed against the military scheme, not only in Japan, but also among the Japanese in Manchuria. For example, the administration of the Kwantung Leased Territory and the Dairen Chamber of Commerce started a strong agitation against the army plan, but this was quickly suppressed by the Kwangung army headquarters which issued a firm warning on August 17, declaring that army policies "must not be influenced by public opinion." A report through *Reuters* referring to the situation said that the squabble had had the effect of causing economic circles to hesitate to make further investments in the puppet state.

In the meantime the "earthly paradise" which the Japanese set out three years ago to establish in China's northeastern provinces, seems little nearer realization. As evidence, we present herewith the following article written by the *Manchester Guardian's* correspondent in Manchuria and published in that paper on July 7:

"The leaders of the Japanese nation embarked, to all appearance, on the invasion of Manchuria without having any clear plan as to what they would do with the country after they had conquered it. Columns have been written in the Japanese press regarding a Japan-Manchukuo economic "block," which was to bring prosperity to the country, but apparently there has been a never-ending quarrel between the military and civil authorities as to which of the two should have control. Present reports from Japanese sources seem to indicate that some sort of agreement has now been arrived at between the two parties regarding the exploitation of Manchurian resources, but the "block" still seems to be making no headway.

"The idea of the Japan-Manchukuo economic "block" is the fusion of the two countries into a single economic unit which in a certain number of years will become entirely independent of foreign countries. The idea is that all raw materials should be supplied by Manchuria and manufactured goods by Japan.

"Japan's foreign trade statistics show that raw cotton and wool, iron and steel, wheat, beans and bean products, sugar, and rubber represent the greater part of her imports. How much of them can Manchuria supply?

"Japan's cotton mills absorb some 600,000 tons of raw cotton in the year. Of this fully 90 per cent is imported from the United States and India. So far Manchuria has not produced more than 13,000 tons a year and Korea about 7,000 tons. It seeems unlikely that Manchuria, with its cold climate, will ever be able to supply Japan with the cotton that she requires. Moreover, Manchurian cotton is of inferior quality; it it is unsuitable for the manufacture of cotton cloth, and is only used for rough blankets and other coarse materials.

"The annual consumption of raw wollen yarn in Japanese industry is estimated at 35,000 tons, entirely imported from foreign countries, principally Australia. Of late years Manchuria has produced about 4,000 tons a year of coarse wool, suitable only for the manufacture of blankets and entirely useless for wearing purposes. It has been shown by some of the most experienced men in sheep-breeding that it would be impossible for wool such as is produced in Australia to be obtained in Manchuria, as the climate makes the fleece grow rougher for the protection of the animal against the cold. This fact alone makes it impossible for Manchuria to produce even 25 per cent of the wool required by Japanese industry.

"In iron and steel Japan requires at least 2,500,000 tons annually, out of which she smelts about a million tons of pig iron. Her own ore production does not exceed 250,000 tons; a further 200,000 comes from Korea; thus she must import 2,000,000 tons a year. There are two large ironworks in Manchuria, one at Anshan, and the other at Penhsihu, which together yield 850,000 tons of iron in the year. From this, by means of complicated processes, about 70,000 tons of pig iron is produced. The metal is of poor quality.

"Japan imports apparently 50 per cent of her total requirements of timber; only 2 per cent comes from Manchuria. There are vast forest lands in Northern Manchuria, from which the Japan-Manchukuo "block" may expect to draw large quanttities of timber. But construction work in Manchuria itself is likely to absorb large quantities.

"During the last two years chemical fertilisers have been largely supplanting bean cakes in Japan, and the price of soya beans has fallen during the past winter to a figure unknown since the beans were first exported. If it is the intention of the "block" to develop bean cultivation in Manchuria it must find foreign markets for the product.

"What can Japan sell to Manchuria? The peasants who constitute 90 per cent of the population of Manchuria lead a miserable life, and can buy nothing beyond the barest necessaries. They are spending even less than they used to do. The large sales lately effected by the Japanese in Manchuria are accounted for by purchases made by the Japanese troops quartered in the country, by economically unproductive construction activities, and by the pushing of exceedingly cheap and inferior goods which nobody buys twice."

Japanese Plan to Renew Drive on Chahar; Canton May Repudiate New Nanking Tariff

High Light in the Events of the Week:

1. Japanese Troops Plan to reoccupy Eastern Chahar.
2. Nanking Establishes Customs Offices at Great Wall Passes.
3. Reds Confer at Juikin to Decide upon Future Plans.
4. Nanking Envoy to Tibet Due at Lhassa August 20.
5. Canton Authorities May Repudiate New Nanking Tariff.
6. C. E. C. Outlines Aims of Forthcoming Party Congress.

The situation in eastern Charhar is reported to be again becoming tense with the impending return of the Japanese troops to their previous garrison posts in that region, now that the flood water there has subsided. According to reports from Jehol, the major portion of Japanese troops in Jehol are being concentrated on the Chahar-Jehol border with only a small detachment remaining at Chengteh for garrison duties. These troops are planning to penetrate into Chahar and intend to establish their permanent station there. Meanwhile, Japanese troops stationed in the Great Wall region are still remaining and making preparations to replenish their military and food supplies with the evident intention of passing the next winter at their present posts. Meaneuvers of the Japanese troops at the various passes are continuing. On August 19, 500 Japanese soldiers at Hsifengkow practised on mountain warfare with loaded machine guns and light artillery. Those at Sah-Ho-Chiao on the following day started a drill program for three days on the land and in the air. Four large field-pieces and six air-bombers participated in the maneuvers.

General Sung Cheh-yuan, Chairman of Chahar, returned to Kalgan August 18 after completing his inspection tour in Suiyuan province. Interviewed General Sung said that he had made arrangements with Prince Teh for the maintenance of peace and order in northern Chahar. He denied that Prince Teh was in secret communication with the Japanese nor was a Japanese delegate stationed at his residence.

Eight destroyers comprising the Tenth Japanese Flotilla, attached to the Third Fleet, anchored off Tangku August 18. The vessels left Shanghai August 10 for maneuvers in northern waters.

The Japanese troops at Tangku staged a sham battle in the morning of August 17, practising on street warfare. Both machine guns and light artillery were brought into play and the sound of the firing was audible within a radius of ten miles.

Chinese and Japanese officials at Peiping have reached an agreement in principle regarding the retrocession of the pass in the Great Wall at Malanyu near to the imperial Manchu tombs. The Japanese authorities state that the serious damages to the motor road between Peiping and Malanyu caused delay in the retrocession procedure. As soon as communication has been restored, however, there will be no further obstacle in the way of retrocession.

Yoh Kai-hsien, the newly appointed Commissioner for Foreign Affairs for Chahar, arrived at Kalgan from Peiping August 17 to establish his office there. Commissioner Yoh announced that he would shortly start negotiations with the Japaneese for the retrocession of Dolonor.

Nanking Establishes Customs Offices at Great Wall Passes

According to a *Reuter* telegram from Peiping August 18, a number of Chinese customs houses will be opened at the various passs in the Great Wall. The first customs house was opened on August 22 at Kupeikou, which will be followed by the opening of others at Hsifengkou, Lengkou, Siysankou, Yiyuankou, and Chiehlingkuo on September 1. It is stated that foreign goods will be subjected to Chinese maritime customs rates, but goods produced in Manchuria by Chinese will be charged under a special tariff. Outgoing Chinese goods will not be subject to duty, likewise foreign goods on which Chinese customs duty has been paid elsewhere. The Chinese authorities at Peiping explain that there is no question of the recognition of "Manchukuo" implied because the new customs houses will simply replace old ones at Harbin and other places in Manchuria.

General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Committee, in an interview to press correspondents at Kuling, said that since his arrival there from Mokanshan, he had had two interviews with General Chiang Kai-shek, President of the Military Affairs Commission. Many problems however remain to be discussed with General Chiang, he added. With regard to the question of his resumption of office, he said that the question really does not arise, as he had not formally tendered his resignation to the Central authorities. He will not, however, be able to leave Kuling until a week or so later. Before returning to Peiping, he will pay a visit to the Capital, he said. Questioned regarding measures for the solution of the Northern situation, General Huang said that these could not be explained in a few words. If, however, he pointed out, unity and cooperation are achieved between the people and the Government, the situation is not impossible of solution. Personally, he will act in cooperation with the local authorities in North China and in accordance with the instructions of the Central authorities.

Late on the night of August 14, a band of about a hundred armed bandits made a sudden attack on the West Gate of Shanhaikuan and succeeded in breaking into the city after having defeated the small police force which was on guard at the gate. But before the bandits started to loot a strong police detachment arrived and a desperate gun battle ensued. After a severe engagement the bandits were driven out from the city. Tungyuanchen, a town about nine miles from Haiyang-chen, has fallen into the hands of a band of 200 bandits. The outlaws are all properly armed and they ransacked the town in a systematic manner. The police force which was sent to Tungyuanchen from Haiyangchen

clashed with the bandits August 16 and fighting is still in progress.

Shih Feng-ming, ring-leader of the bombing of the Peiping-Mukden through train near Tangku on July 1st, was shot to death by the Peiping gendamery August 1, according to a *Rengo* report to the *Japan Chronicle* August 7. The culprit was tracked down in a street of the Chinese City in Tientsin on July 31st.

The *Yi Shih Pao*, an influential Chinese daily at Tientsin, is reported to have been deprieved of the use of postal and telegraph facilities, owing to publication of alleged official plans regarding the readjustment of affairs of the North China demilitarized zone.

Dr. W. W. Yen, Ambassador to Moscow on furlough, returned to Tsingtao on the s.s. "Shengking" from Shanghai August 16. Dr. Yen said that he will proceed to the north in a fortnight to receive medical attention at the Peiping Union Medical Hospital.

Reds Confer At Juikin to Decide Upon Future Plans

In view of the tightening of the Government economic blockade in the Red Area the Communist leaders in Kiangsi recently held a conference at Juikin, the Soviet military base as well as seat of the "Soviet Government," according to the *Peiping Morning Post*. The conference was presided over by Chu Teh and attended by many high Red military officers above the rank of divisional commander. It is understood the following decisions were reached at the Conference:

1.—That the 1st and 5th Red Army Corps be sent to western Fukien to make a drive against the Government troops at Lungyen so as to protect Changting from Government attacks.

2.—That the 3rd Red Army Corps, the Model Red Division and the Red Guards be recalled from the front and sent to southern Kiangsi to protect the cities of Hueichang, Juikin and several other Red bases in that vicinitv.

3.—That a date shall be chosen to start a nation-wide riot by Communists.

4.—That the Red air base at Chinchilin near Hueichang be completed within three months.

5.—That the Intelligence corps shall be expanded to 25 corps.

6.—That a general investigation of the amount of rice, salt and other supplies in stock be made so as to decide how to get fresh supplies from outside.

Immediately after the Red conference, Peng Teh-huai led his men into Fukien in the hope that he could penetrate into Chekiang by way of Fukien. The recent attack on Foochow was the work of this band of Communists. At the same time, Chu Teh, who had by this time returned to Juikin from Changting, has established his headquarters at Juikin and is directing operations from there. Yeh Chien-ying is commanding a strong Communist force on the north bank of the Chang River waiting for his first opportunity to cross the river for an attack on Chunmenglin. The Cantonese troops in southern Kiangsi have received instructions from General Chiang Kai-shek to be on the alert for a possible Red attack from the north.

According to a declaration of the so-called "Soviet Government of China" which was mailed to Shanghai newspapers this week the Red forces claim they are in a position to occupy both Foochow and Amoy at any time, "but for tactical reasons" they may delay the occupation. The Reds claim they have more than 200,000 now in Fukien province. The declaration alleged that on August 1 the Red army took a solemn oath to wage war on Japanese imperialism and as soon as Fukien is occupied they will advance on the Japanese in the North. A list of alleged Red victories over the country was given, the 6-page statement concluding with the names of Mou Tseh-tung and Chu Teh, Han Yin, Chang Kuo-tao, Chow En-lai and Wong Kia-hsiang.

With the impending conclusion of the campaign against the Communists in the Min River valley, General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-suppression Forces in Fukien, is diverting his attention to western Fukien. Following his arrival at Changchow from Amoy, General Chiang has perfected preparations for a joint offensive with the Kwangtung Forces on the principal Red stronghold Changting. According to latest reports received at Foochow from the front, the vanguards of the Government forces have reached a point about 20 miles from Changting, while units of the Northern Route Bandit-suppression Forces are also advancing on the Red stronghold from Kiangsi. General Chiang is reported to have decided to proceed to the front to direct operations in person, as soon as the joint offensive operations begin.

According to a *Rengo* telegram from Foochow August 18, martial law wsa again declared here at 7 o'clock that evening after sound of cannon firing had been heard in the city throughout the afternoon. The reports came from the direction of Hsiaopeiling, about five miles east of Foochow where, the telegram states, some remnants of Communist bands under Lo Ping-hui were still entrenched.

According to information from military sources, the Communists under Lo Ping-hui which had been harassing Foochow and its envirous have fled to Loyuan, where they are being surrounded by the units of the Government's 49th and 87th Divisions. As a result of the joint operations of the Government land and air forces, the Reds have been broken up into a series of scattered bands and have lost contact with one another. Their communications with the rear are reported to have also been cut by the Government troops. It is expected that complete suppression of the Communists in the Min River valley would soon be effected.

Lienkiang, a coastal city just a short distance northeast of Foochow which at one time almost fell into the hands of the Communists, has now been cleared of all Red traces. Peace and order has also been restored at Fuan and Ningteh. According to a latest report from Foochow, the vanguards of the Government Forces have pushed to Ningteh beyond Loyuan. A major battle between the Government troops and the Communists in the vicinity of Ningteh is believed to be impending, which will finally decide the fate of the Communist marauders. In view of the Red situation in Fukien, the Kwangtung Authorities are taking precautionary measures to strengthen the defences on the border of Kwangtung and Fukien in order to forestall the Communists from penetrating into the South.

Foochow remains quiet but the activities of Communist forces are causing considerable uneasiness elsewhere in Fukien province, according to reports received by local British naval circles at Hongkong August 18. The reports state that the communists, who retreated from Lienkiang where they moved after threatening Foochow, carried out a surprise attack and captured the town of Loyuan, about 35 miles north of Foochow. It is stated that the Nanking 49th Division has landed at Ningteh, which is about 15 miles north of Loyuan and a clash with the communists is expected shortly. Antoher Red force is reported to be driving towards the coastal towns of Funing and Nefukien.

Reuter reports from Canton that a Communist band numbering about 3000 led by the notorious Chinese woman Communist, Ho Lan-ying, sister of Ho Lung, are reported to be terrorizing the northern part of Kweichow. The Reds under the girl's leadership have occupied Shihnan and Yinkiang as well as Tehkiang. The magistrate there has fled and the invaders have established a "Soviet" regime and compelled the inhabitants to join the Communist Party.

As a result of the joint attack of the Government infantry, artillery and air forces, the formidable blockhouses of the "Reds" south of Hsiungkow, southern Kiangsi, were completely occupied August 17 by units of the 6th Route Army under General Hsieh Yo. The defeated outlaws retreated southwards to Nankang.

A large band of Communist bandits has suddenly appeared at a point about 6 miles from the city of Yenhua in the extreme north of Kwangtung near the Hunan-Kiangsi border. Both the merchants and the wealthy people of the city are said to be moving their goods and valuables to Shaokwan in fear of disturbances. It is understood that one full

regiment of the Kwangtung 3rd Independent Division has been dispatched to Yenhua to suppress the invading bandits.

Li Chien-wu, Commander of the Independent "Red" regiment, who for the past few years has been harassing the people along the Hunan-Hupeh-Kiangsi border regions, has surrendered with 104 bandit officers and soldiers to the peace preservation regiment at Pinkiang, north-eastern Hunan. They surrendered with 73 rifles and one machine gun. The bandit commander has been brought to Changsha by the units under Major-General Teng Nan-chi from Pingkiang.

A stern order has been issued by General Chiang Kai-shek to General Liu Hsaing, condemning the tardy advance of the Szechuen troops and unwarranted withdrawals due to pressure from the enemy. Severe punishment will be meted out to the responsible officers. The "Reds" under Ho Lung have retreated towards Yuyang, south-eastern Szechuan, after being hard pressed by the Kweichow Provincial forces under General Wang Chia-lieh. The various civic organizations at Yuyang have telegraphed to General Liu Hsiang urging that reinforcements be despatched to that city to check the entry of the "Reds."

General Yang Hu-chen, Director of the Sian Pacification Headquarters, arrived at Kuling from Hankow August 17. He is to report to General Chiang Kai-shek on the political and military situation in Shensi. General Yang is expected to remain there for about a week, after which he will return to Sian.

Interviewed by Chinese press representatives August 16 at Hankow, General Yang declared that Shensi is suffering badly from natural calamities and bandit ravages. Though the main body of the Communists under Hsu Shiang-chien has been driven southward to Szechuen, remnants are still lingering in the mountainous districts near the border of Szechuen. The chief problem confronting the Shensi authorities, said General Yang, was the reconstruction in the southern parts of the province where Communists' destruction is most serious and extensive. Many highways have been projected and some are under construction. In the building of these highways, soldier-labor was principally employed. He cited the instances of the construction of the Sian-Lanchow highway in which 6,000 soldiers were employed and in the Hengyang-Hanchun highway most of the workers were soldiers. Since the establishment of the Sian branch of the National Economic Council, many construction projects have been mapped out and the provincial authorities are in close co-operation with the Council in carrying out the irrigation, afforestation, highway and other industrial programs.

In response to a summons from General Chiang Kai-shek, Tang Yu-jen, Vice-Minister of Foreign Affairs, left Nanking for Kiangsi by the s.s. Woosung August 20. It is officially announced that his mission is to address the Military Officers' Summer Training Class at Kuling on the foreign affairs of the country. Interviewed upon his departure, Mr. Tang said that he expected to remain at Kuling for a few days, after which he would return to Nanking together with General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Commission.

Nanking Envoy to Tibet Due at Lhassa August 20

General Huang Mu-sung, Special Commissioner to Tibet, was due at Lhassa on the 20th, according to a report received by the Mongolian and Tibetan Affairs Committee at Nanking. General Huang in his message stated that all opposition in Tibet to the Panchen Lama's return has been removed and most of the lamas are welcoming him back to that land. Geeneral Huang pointed out, however, that the Tibetans have made it clear that political power in Tibet should rest in the Dalai Lama although the Panchen Lama may enjoy supreme religious power.

The Panchen Lama arrived at Paotow from Kweihua August 17 en route to the territory of the Ordos (Yeghe Jo) League. Interviewed by the press prior to his deparfure from Kweihua, the Panchen Lama declared that he and his followers would return to Tibet by way of Chinghai and that he had decided to ignore the request made by the Tibetan authorities to travel by the sea route by way of India. "I will go by the way which I think best," the Panchen Lama declared. It is understood that the Central Government has decided to provide him with a bodyguard to protect him on his way to Tibet.

General Liu Wen-hui, Defence Commissioneer for the Szechuan-Sikong Border, reports that a band of over a hundred wandering Tibetan Lamas have refused to abide by the terms of the agreement for the return of the Tachin Shih (monastery), and have become bandits. According to the agreement, the Tachinshih was returned to the Tibetan lamas on conditjon that they hand over their arms to the Government. The majority of the lamas have readily carried out this provision.

Canton May Repudiate the New Nanking Tariff

The possibility of Canton repudiating the new Nanking tariff of July 1, which reduces the import duty on cotton, paper and sea products, is being discussed in both Chinese business and political circles at Canton, according to a *Reuter* report from Canton August 14. An indication of the strong feeling at Canton against the new tariff is provided by a telegram sent by the Canton City Chamber of Commerce to the Ministry of Finance and the Nanking authorities opposing the new import duties on the ground that they are detrimental to Chinese industries. All guilds are supporting the Chamber's opposition to the new tariff. They also anticipate a big increase in foreign imports to China following the nationalization of silver by the United States Government.

In order to alleviate the people's suffering at this time of general trade depression, the Finance Department of the Kwangtung Provincial Government issued on August 16 an order to various dsitrict governments to abolish over 80 exorbitant taxes and to prohibit miscellaneous forms of gambling. The Finance Department also decided to abolish 42 kinds of transit dues in the near future. The total sum of the taxes to be abolished is estimated at over $6,427,500. At present 14 districts have abolished exorbitant taxes in accordance with the order issued by the department, while the remaining districts are reported to be working hard towards this end.

According to a *China Press* dispatch from Canton August 14, owing to the Communist menace in Fukien, General Chiang Kai-shek has requested the return of Generals Tsai Ting-kai and Chang Fa-kuei from Europe in order to take part in suppressing the Communists. General Tsai is reported to be consulting an influential friend at Canton before making up his mind whether he should remain in Europe or come back to China. The same dispatch stated that the Central Authorities have cancelled the order for the arrest of the 213 persons who joined the People's Revolutionary Government in Foochow from November 20, 1933 to January 14, 1934. The leading persons of the Fukien uprising have retired abroad, while as a matter of fact the lesser lights have found employment in government and other offices in Canton, Shanghai and Nanking.

General Chang Fa-kuei has been staying in Europe during the past two years. His latest interest is in aviation, and it is said that he has secured a pilot's license in flying. His friends at Hongkong have denied that General Chiang has received financial assistance from Nanking or Canton.

A *Reuter* dispatch from London reported General Tsai Ting-kai left London August 19 for the United States, after an incognito sojourn in London. A reception was given on the previous day in the General's honour by the Chinese community at London. Before arriving in London, General Tsai spent a long time on the Continent.

National unification is urged by Generals Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, Han Fu-chu, Chairman of the Shantung Provincial Government, and Yu Hsueh-chung, Chairman of the Hopei Provincial Government, in telegrams to the Central and to the Southwestern authorities August 20. In view of the increasing gravity of the international situation, the message urges, the nation must be united in order to offer a united front in coping with a possible new World War. Resistance against foreign aggression, however, cannot be offered unless the

domestic situation is first settled. It is therefore urged that efforts be concentrated for the immediate removal of all obstacles in the way of national unification.

Serious differences are reported to have been developed between the Party "Elders" led by Hsiao Fu-chen and the military leaders including Generals Chen Chi-tang and Li Tsung-jen in regard to their attitude towards the forthcoming 5th National Party Congress at Nanking. At the regular meeting of the Southwest Branch Committee of the Central Executive Committee at Canton August 20, there were heated discussions on this matter lasting several hours. Mr. Hsiao proposed that a circular telegram should be issued by the South Authorities making known their attitude towards the Congress, but this proposal was turned down by Generals Chen and Li, who pointed out that such a statement not only would not help the situation but would lead to further internal complications. They stressed that this is no time for high-sounding words or phrases but for sincere cooperation among the leaders for the salvation of the country. Finally, they counselled that the Southwest should maintain reticence in regard to the Congress for the time being pending further developments and this view prevailed at the meeting.

Plans for civilizing the Hainan aborigines by the Kwantung authorities are progressing with the completion of a number of highways in Hainan and the introduction of the use of modern equipment. It is estimated that Hainan Island has a total area of 1,400 square miles, or one-sixth of the total of Kwangtung Province, with a population exceeding 2,200,000. The Island is in a primitive stage of development and civilization. Until recently there was not a single schoool or hospital. With progress made in the campaign to civilize the natives the Canton Authorities are contemplating measures to convert the Island into a trade centre. The development of the road system is an indication that considerable progress has been made towards this end. It is officially announced that already there are 5,000 li of finished highways. Under the civilizing program a large number of schools have been established and modern transportation and communication facilities are available in the larger districts. According to the official survey the fishing grounds around the Island are a source of great potential wealth. Minerals are abundant and other products are rubber, coconuts, and coffee. The Island is at present producing annually wealth amounting to only $1,500,000. The Authorities are confident that if the development program is fully carried out, the annual wealth may be increased a hundred times.

Another meeting of the Kwangtung Provincial Defence Conference was convened by General Chen Chi-tang August 17, when further dispositions of the troops were decided upon.

The Kwantung Provincial Assembly (Sheng Tsan-I Hui) was formally inaugurated and the members inducted into office morning of August 15. General Chen Chi-tang administered the oath on behalf of the South-western Political Affairs Committee. Beginning from August 16, the Assembly will be in session for 15 days. The President of the Assembly will be elected forthwith. The Assembly is composed of 22 regular members and 22 reserve members. Commerce, industry, agriculture, education and the professions are each representeed by three members. Overseas Chineese are represented by six members.

The first formal meeting of the Assembly was held August 16, when the election of a Speaker and Vice-Speaker was ballotted for. Lin Kuo-pei and Peng Cho-jen were elected Speaker and Vice-Speaker respectively with Liang Tsu-hao as Chief Secretary to the Assembly.

Dr. H. H. Kung, Minister of Finance, is reported to be planning to make a trip to South China to continue his inspection of local finances in the South. The report states that Dr. Kung will also bee entrusted with the mission of further cementing the bonds between the Southwest and the National Government and it is forecasted that the trip, if undertaken, will be a great success. Dr. Kung is now summering at Kuling and is not likely to start the trip before the lapse of the present month.

The Kwantung Provincial Government, at its meeting Aug. 15, decided to appropriate a sum of $20,000 from the Educational Fund for the province to repair and renovate the Confucian Temple at Canton and to purchase the ancient musical instruments for the Temple. The decision is interpreted as a move on the part of the authorities to revive the cult of Confucius in the province.

The old sayings of Confucius and the classics of ancient Chinese scholars, which have long been abandoned by modern educators, will again be taken up, according to an order issued by the Commissioner of Education in Kwangtung. The order rules that students of the junior and senior years of all primary schools must study Chinese Classics for at least two years. Special attention will be paid to the teachings of Confucius and Mencius.

With a view to readjusting the finances in the province the Kwantung Provincial Department of Finance has decided to summon a Provincial Economic Conference to be held at Canton. Preparations for the Conference are under way.

As a reply to the opposition raised by Kweichow residents at the Capital to his administration, General Wang Chia-lieh, Chairman of Kweichow and concurrently Commander of the 25th Army, has issued a circular telegram blaming himself for maladministration in the past and seeking cooperation and understanding in the reconstruction work for Kweichow province.

C.E.C. Outlines Aims of Forthcoming Party Congress

The chief topics for the agenda of the forthcoming 5th National Congress of Kuomintang Delegates were announced by the Central Executive Committee of the Kuomintang in a circular message August 15.

(1). Convocation of the National People's Congress *(Kuo-Min Ta-Hui)*;
(2). Revision of the Party Regulations;
(3). Promotion of Party work, and
(4). Determination of general policies.

Completing an extensive survey in Shantung, T. V. Soong, member of the Standing Committee of the National Economic Council, who had spent almost a month at Tsingtao for his Summer vacation, returned from Tsinan via Nanking August 16. Interviewed upon his arrival here, Mr. Soong spoke highly of General Han Fu-chu, Chairman of the Shanghai Provincial Government, and Admiral Shen Hung-lieh, Mayor of Tsingtao for their services in reconstruction works. The most important project now under consideration is the dredging of the Siao Tsing Ho (River) linking the Shantung Coast to Tsinan, Mr. Soong revealed. To study the project and to lend his assistance to the realization of the important scheme, he toured the district with General Han when in Shantung. When this has bene completed at the estimated cost of $2,000,000, Tsinan will be directly linked with the coast.

Mr. Soong admitted that matters concerning foreign affairs were discusseed at Tsingtao when he met Dr. V. K. Wellington Koo, Chinese Minister to France, and Dr. W. W. Yen, Ambassador to the Soviet Union. He added that the leaders had a brief exchange of opinions and reached to definite recommendations, as Japanese sources hinted.

Dr. Wang Chung-hui, judge of the Court of International Justice at The Hague, arrived at Shanghai from Hongkong August 20 aboard the Dollar Liner President Grant. Interviewed upon arrival, Dr. Wang announced that he had come to Shanghai in response to a telegraphic invitation from General Chiang Kai-shek. After remaining in Shanghai for a few days, he said, he would proceed first to Nanking and then to Kiangsi to see General Chiang and report on the conditions abroad. He added that he was planning to stay in China for about six months and return to The Hague in the Spring next year.

The National Mohammedan Association has elected General Ma Liang, aged Mohammedan leader, as Chairman

of the Association. As Chairman General Ma Liang is made the leader of Mohammedans in China.

Yu Yu-jen, President of the Control Yuan, who left Nanking for Shensi last week under the pretext of illness as a result of the recent dispute between the Control Yuan and the Executive Yuan over the impeachment of Ku Meng-yu, Minister of Railways, arrived at Sian August 14. Mr. Yu is returning to his native city at San Yuan shortly to "recuperate his health."

Prince Min-Chu-Tse-Huang-To-Chi, of the To-Erh-Hu-Te tribe in Sinkiang, called on President Wang Ching-wei August 16 and reported on conditions affecting his tribe. The Sinkiang prince also requested President Wang to devise measures for improvement of the system of communications, the promotion of education, and the installation of wireless stations in Sinkiang.

By way of assisting the authorities in exercising restrictions on women's dresses, the Pawnshops Association at Hangchow has reached a decision to the effect that pawnshops should not accept any women's dresses made in fancy-coloured clothes or in ultra-modern fashions.

Having reported to President Wang Ching-wei on the situation in South China, Yang Teh-chao, personal representative of General Chen Chi-tang, left Nanking for Kiangsi by airplane August 18. Mr. Yang will submit a similar report to General Chiang Kai-shek.

China's Salt Revenue Shows Gratifying Increase

Dr. E. M. Gale of the English secretariat of the Salt Revenue Department has prepared a report covering the operations of the Administration during 1933.

Notwithstanding adverse conditions and increases in duty rates, statistics disclose total releases of taxed salt during the year 1933, excluding Manchuria, as approximating 38,000,000 Ssuma (salt) piculs, showing a gratifying increase of about 1,400,000 Ssuma piculs as compared with 1932 releases. The salt revenue collections for the same period totalled approximately $160,000,000 representing an increment of $14,000,000 odd over the collection of the preceding year. The expenditures for the three departments of the administration, inspectorate proper, administrative and preventive, including large disbursements for the extensive construction program of salt depots, canals, roads, etc., aggregated some $17,000,000. This was less by about $140,000 than the total expenditute of the year 1932.

Of the total increase in salt releases and revenue collections by far the greater part was accounted for by the 10 salt districts where the administrative and preventive functions, previously exercised by extra-inspectorate authorities, had been consolidated with the inspectorate service.

The reorganization and improvement of the salt preventive forces, numbering more than 20,000 officers and men, has been one of the prime objectives of the present administration. After the introduction of the new system of revenue guards in the 10 districts already described, further efforts have been vigorously carried on to improve the preventive service by the complete removal of undesirable elements, by rigid training of revenue guard officers at special training institutes as at Sungkiang, by constant inspections by senior officers, and by stern enforcement of discipline and the regulations relating to efficiency in carrying out preventive work.

The duty rates on salt, which, following centuries-old customs, still vary greatly in different regions of the country, were readjusted during the year so as to be placed as far as possible on a more equitable basis.

Party of Nine Makes Hazardous Voyage from Vladivostock in Tugboat

Fishermen near Quelpart island, situated south of Korea, towed into port last week a disabled 25-ton tugboat named *Soviet Union*, on which there were nine passengers, including one woman. The party, the head of which was an American with a Russian wife, and seven Russian men, had surreptitiously set out from Vladivostock some weeks previously in order to escape various hardships which they underwent there. Their vessel was repaired at Quelpart island, and the party again set out this week, with Shanghai as the announced destination.

Japanese Government Controls Exports to Netherlands Indies

Fearing that uncontrolled exports of plain greys to the Netherlands Indies might hamper the trade conference at Batavia, the Japanese Government Aug. 16 decided to invoke the Trade Safeguarding Law against those Japanese exporters who are exporting cotton piece-goods, so as to limit the amount to be exported.

Imports of Japanese cotton piece goods into India recorded an increase in the first six months of 1934, while British textiles showed a corresponding gain, according to information received in Tokyo August 6.

Japanese Foreign Office authorities are concerned about the growing danger of measures being taken by countries where Japanese traders have found new markets recently, to oust Japanese articles either on their own initiative or through the maneuvering of foreign traders hit by Japan's headway. Hence Tokyo may adopt a reciprocal trade or balanced trade policy to avert this imminent crisis.

Koki Hirota, the Japanese Foreign Minister, Aug. 18 instructed Kuramatsu Murai, consul general at Sydney, to approach the Australian government with a request for a lowering of its tariff of Aug. 2 on cotton textiles. Should the Australian government take steps to modify the application of the increased duties on Japanese goods, Mr. Hirota stated that he was prepared to negotiate with Japanese wool spinners to increase their purchases of Australian raw materials.

The French Government recently requested the Japanese Government to buy more French goods. It is said that should Japan refuse the French request, France may apply further limitations to Japanese goods, including silk and cotton piece goods.

British Mission to Manchukuo Will Call at Shanghai

The mission being sent by the Federation of British Industries to visit Manchukuo is due to depart from London September 1. It is scheduled to call at Shanghai. The mission will be headed by Lord Barnby, a director of Lloyds Bank, the Commercial Union Assurance Co., Ltd., and the Central Electricity Board, and will include Sir Charles Seligman, a director of the banking firm of Seligman Bros. Ltd.; Guy Locock, a director of the F.B.I.; Julian I. Piggott, of the Iron and Steel Federation and manager of the British Steel Export Association and also a brother of Brigadier Piggott who is Japanese expert at the War Office. Mr. Piggott and Brigadier Piggott are sons of the Japanese scholar, the late Sir Francis Taylor Piggott, one time Chief Justice of Hongkong.

British Government Says British Mission Is Purely Commercial

Replying to the protest lodged by Quo Tai-chi, Chinese Minister to Great Britain, in regard to the impending visit of the Mission of the British Industrial Federation to the puppet state of "Manchukuo," the British authorities stated that the visit of the Mission is entirely for the purpose of investigating business possibilities in Manchuria and should not be interpreted as implying any violation of the principle of non-recognition of "Manchukuo" on the part of Great Britain.

Burmese Vote to Remove English President

A series of Parliamentary scenes occurred in the Burma Legislative Council early this month. On August 8, the majority of Burmese members voted for the removal of the president, Sir Oscar De Glanville, on the grounds that he could not speak Burmese or follow the speeches delivered in that language, and, further, that he was partial. Sir Hugh Stephenson, Governor of Burma, holding these allegations as unfounded, declined to sanction the removal of Sir Oscar. The following day the majority of Burmese members walked out of the Chamber. Later four Burmese members were ordered out for disorderly conduct and for insisting that Sir Oscar should cease to be president. Following their exit, 48 members of the Council also rose and withdrew in sympathy.

When Miss Agatha Harrison returned from India to England a reception was held for her July 13 at Friends' House by the India Conciliation Group, of which she is secretary, the Women's International Group, and the Friends' Emergency Service in London. Speaking of the terrorism in Bengal Miss Harrison said the terrible thing was that the recruits to the movement were boys and girls. There had been a great change in feeling in India since she was there seven years ago, she said. The bitterness was something that seemed almost tangible, and among the young people there was also a sense of defeatism that one naturally recognized as a cause of terrorism. "Staying in the villages, I realised the appalling poverty of the people. You will see them eating grass seed," she said.

Japanese Finance Ministry Alarmed by Demands

Japanese Finance Ministry officials are watching with alarm the estimated demands of the various Ministries, which approach the colossal sum of Yen 2,800,000,000.

The Finance Ministry is understood to be prepared to cut down as low as possible not only demands for new undertakings but other expenditures as well. Mr. Fujii, the Minister of Finance, probably will seek the assistance of Mr. Takakashi, the aged financial expert who preceded him in office, to seek a way out of budgetary muddle his ministry is now confronted with. Of the amount of Yen 2,800,000,000 asked for, 1,200,000 000 yen consists of estimates for new enterprises, whereof the share of the army and the navy totals approximately 700,000,000 yen. The army alone is asking for a total appropriation of Yen 600,000,000 whereof it plans to spend Yen 95,000,000 in connection with the stationing of troops in Manchukuo; Yen 70,000,000 to Yen 80,000,000 on the improvement of the air force; about the same sum on the second equipment replenishment program and the rest on running expenses, which have also increased. The balance of about 1,600,000,000 yen is for ordinary expenses, this alone showing an increase of 230,000,000 yen in comparison with the preceding year.

In a recent interview Premier Okada said that although he understands that General Hayashi, Minister for War, expressed the view that although an increase of taxes must be considered if it is necessary for providing the country with efficient national defence, he nevertheless believes that the time is not yet ripe for any increase.

It seems fairly certain that deficit-covering loans to be issued in the next fiscal year will not be smaller than those for the present fiscal year viz. Yen 632,000,000.

Japanese Tax Officials Hope to Collect Huge Mitsui Inheritance Tax

The Tokyo Central Tax Collection Bureau is making investigations which will probably have wide repercussions. The Mitsui fortune, one of the two largest accumulations of private wealth in the Empire, is up for investigation and officials accustomed to hounding delinquen petty taxpayers are performing their duties with a vengeance, according to *Rengo*. In the meantime, the term "sen" has been crossed from their vocabulary except when they send the office-boy out for some cigarettes. Instead of questioning incomes running into three digits at the utmost, the collectors are dealing with millions of yen, in fact 170 of them. For that is the amount declared by Takakami Mitsui, scion of Japan's Rockefellers, Du Ponts and Astors all rolled into one, as his property to compute his inheritance tax which, if approved, will reach the "paltry sum" of a "mere" Yen 22,000,000. But with this wealth scattered in factories, mines, power plants, commercial enterprises and other undertakings, the checking-up process is tedious and complicated. Incidentally, if and when it is collected, the Yen 22,000,000 inheritance tax will be the largest amount collected from a Japanese subject in a lump sum since the system of modern taxation has been inaugurated.

Japan's Exports Show Increase

Japan's trade in July with Manchukuo, Kwantung leased territory, China and Hongkong totalled Yen 68,254,000, including Yen 48,040,000 for exports and Yen 20,214,000 for imports, it is announced by the Finance Ministry. The exports showed an increase of Yen 16,013,000. The excess of exports since January reached Yen 98,766,000, showing an increase of Yen 30,007,000 in comparison with the corresponding period of last year.

Net profits totalling 36,110,000 yen, the largest in the institution's history were made by the Bank of Japan in the first six months of this year.

Members of Osaka Business and Industry Associations meeting Aug. 17 unanimously agreed to petition the Ministry of Commerce and Industry to establish a branch office so as to facilitate export transactions. More than 70 percent of Japan's total foreign trade is handled through Osaka, they declared.

Kenzo Adachi, president of the Kokumin Domei, third ranking party in the House of representatives of the Japanese Diet, announced Aug. 17 that his party would support the policies of the Okada cabinet. The Kokumin Domei is not represented in the present ministry.

Foreign Office Wants to Go Slow on Denouncing Washington Treaty

Abrogation of the Washington naval treaty by Japan, which is being urged by a faction of Japanese naval officiers headed by Admiral Suetsugu, commander-in-chief of the Combined Fleet, should be delayed until a "more opportune moment" for such action presents itself, in the opinion of leading Foreign Office officials, according to *Rengo*.

General Sadao Araki, former minister of war and member of the Supreme War council, probably will be appointed commander of one of the two contending forces that will take part in the grand Japanese military maneuvers scheduled to take place in the Kwanto district this autunm. General Nobuaki Abe, also a member of the council, will lead the opposing force.

A Communist Who Is Doubly in Trouble

Takeo Osawa, a member of the central finance committee of the Communist Party, who was tortured by applications of sulphuric acid by his fellow radicals when they suspected him of serving as a police informer, was arrested recently in Tokyo. Osawa opposed the "lynch" policy of the dominant element in the party, and was himself condemned to torture. Last January 12 he was asked to appear at the home of another Communist to receive orders. When he appeared, he was seized and bound with a rope. His head was pounded with a hammer, and he was slashed with a razor, sulphuric acid being poured into the wounds while red hot irons were applied to his feet. Since then he had sought to conceal his identity, and had been earning a living by peddling a patent medicine.

Thirty-two primary school principals, five educational officials, and others, totaling 41, involved in the educational scandal in Tokyo, were declared guilty of receiving bribes in their preliminary trials, which were completed Aug. 10 and were summoned for public trial. The case was brought to light as a result of the internal trouble within the Education Office.

Great Increase of Suicides in Tokyo

The *Tokyo Asahi* recently drew attention to the increasing number of suicides. According to investigations made by the Metropolitan Police Board, says the Tokyo journal, the number of suicides within its jurisdiction last year totalled 1,805 and that of attempted suicides 2,000. Compared with the previous year, there was an increase of 220 in the number of suicides and of 952 in that of attempted suicides. There is every indication that this increasing tendency has become more pronounced this year. As one contributory cause of this increase, the *Asahi* points out that suicide is not regarded in a criminal light among the Japanese as it is among Western peoples. The causes of suicides are, of course, multifarious, but so far as the results of investigations made by the Metropolitan Police are concerned, about 20 per cent. of the suicides last year were due to illness, while the difficulty of living and unemployment combined to contribute 13 per cent.

Russo-Japanese Fisheries Dispute Settled at Old Rate

The Tokyo Foreign Office announced August 15 that the dispute over fishery grounds and the yen-rouble exchange rate between Soviet Russia and Japan had been amicably settled. After protracted negotiations, the parties have now reached an agreement, the basis of which is that Japanese fishers will pay royalties this year at the old rate of 32½ sen per rouble.

Siamese Rice Meets Opposition in Japan

Attempts by the Japanese Foreign Office to lift the import restrictions on Siamese rice in an effort ot secure a more equitable trade balance between the two nations are confronted with a serious obstacle in the form of an adamant attitude by the Ministry of Forestry and Agriculture who insist that the Japanese rice crop for this year will be sufficient for the nation's needs and that no foreign rice should be imported if the present domestic rice price level is to be maintained.

"Thought Offences" to Be Still More Rigidly Controlled

The Department of Justice has decided to re-introduce a Peace Preservation Revision Bill in the next session of the Diet. With the approach of the anticipated crisis of 1935-1936, there is growing apprehension in official quarters lest the malign activitly of Left elements should disturb the spiritual union of the whole nation. Accordingly,at the conference of the Presidents of the Appeal Courts and Chief Procurators the other day, it was agreed that redoubled efforts should be made to control and prevent "thought offences." In the pursuit of the same object, the Department of Justice has now decided to re-introduce a Peace preservation Revision Bill in the next session of the Diet, and the Criminal Affairs Bureau of the Department is now engaged in drafting the measure. While providing for the stern control of Left elements, the Department of Justice authorities are considering the adequate control of Right organizations, in view of the frequent commission of organized acts of violence, as witness the May 11th affair, the Blood Sworn Band (Ketsumeidan) affair, and the God's Soldiers (Shimpeitai) affair.

Arizona Farmers Make Move to Expel Japanese

A group of farmers in the vicinity of Phoenix, Arizona, last week started a movement to expel all Japanese agricultural workers from the district. A resolution was passed urging all Japanese to leave the neighborhood of Phoenix by August 25.

According to investigations carried out on the spot by Mr. Fukushima, a vice-consul from Los Angeles who was ordered by the Japanese Foreign Office to proceed to the scene, the agitators are using their movement as a political weapon in view of the elections to the state legislature scheduled for September 11. The agitators added impetus to their movement by announcing that Japanese settlers in California were planning a mass exodus into Arizona.

Posthumous Honors for 521 Japanese Soldiers

Five hundred and twenty-one soldiers of the Japanese army who were killed in the Manchurian incident, including the first Korean to be so honored, were posthumously given the Order of the Golden Kite in a list published by the Cabinet in Tokyo Aug. 9. The total of those granted posthumous honors of greater or less degree was 620. It was the 13th list of the kind issued since the fighting. Twenty were accorded recognition in addition to the decoration for especially meritorious service, and these includeded Sai Tatsu-moku, a native of Korea, first-class gendarmerie officer attached to the Japanese forces, who died when he leaped from the Japanese trenches and raced in a one-man assault on the enemy.

Manchukuo Suggests Conference with Soviets to Fix Border

In view of frequent disputes along the Soviet-Manchukuo border owing to obscurity of the border line, Manchukuo leaders strongly urge a conference with the Soviet Government to fix the border. The Manchukuo Foreign Ministry has protested to Moscow after each border incident, such as firing at Manchukuo steamers on the Amur and Sungari Rivers by the Soviet troops. However, the Soviet Consul-General in Harbin, Mr. Slavutsky, has rejected these protests, stating that the actions of the Soviet troops were legal ones, within Russian territory.

Bandits Wreck Trains and Kill Japanese

Another Chinese Eastern Railway train was wrecked Aug. 15 by bandits and the crew kidnapped. After destroying the tracks 20 miles west of Hengtaohotze, the bandits hid in ambush until the train, a freighter, ran off the tracks and down the embankment. A heavy fire was opened by the bandits on the train, but fortunately none of the train crew were hit. Two locomotives and 12 freight cars were smashed and the marauders, after looting the wagons, decamped with the train crew as hostages.

Masanosuke Hashimoto, a Japanese engaged in mining limestone near Panshih, was killed by a group of 20 bandits who attacked the mine on the morning of Aug. 9. One Japanese and two Koreans, all workmen, were kidnapped.

The Mukden branch of the Standard-Vacuum Oil Company Aug. 9 received a demand from bandits for a sum of $10,000 on penalty of the blowing up of its oil tanks and the murder of all members of the staff if the demand is not complied with.

Mesasue Teravama, assistant counsellor of the Chaochow Hsien Government in Heilungkiang Province, was killed by bandits Aug. 3.

An attack on the intelligence office of the Japanese Army at Pogranitchnava, on the Soviet-Manchukuo border, last March was revealed Aug. 16 when the local military authorities lifted the press ban on the incident. The night guard at the office was killed and an assault was attempted against the life of the intelligence officer, it was reported. Forty men, mostly Russians, were arrested by Japanese authorities in connection with the affair.

Bandits in Heilungkiang Province decreased by one-tenth in comparison with this time last year, according to the Tsitsihar police. The total number of outlaw bands was said to be 37, comprising about 1,260 men, the report stated.

Reports that an American citizen was among the victims of the pirates who attacked the ss. *Yinghow*, on the night of August 14, were officially denied in Harbin Aug. 17 following an investigation.

A hundred and forty carloads of Manchurian sova beans stacked in 45 mounds on the Dairen waterfront were destroyed by fire at noon on August 13. The loss, including destruction by water, is estimated at $378,000 all of which is covered by insuranc .

Two Japanese passengers of a South Manchuria Railway train which left Tashihchiao Aug. 17 for Dairen were killed and nine others seriously injured when the locomotive ran head-on into a stationary train at Paichi on the S. M. R. main line.

Missing Russian Found in Japanese Restaurant

Manchukuo police and military authorities, assisted by Japanese gendarmerie officers, conducted an intensive search for a Mr. Shimakov, secretary of the Soviet Consulate at Heiho, missing since the night of August 13. Mr. Shimakov had been last seen walking home from a Japanese restaurant in the border city in company with other members of the Soviet delegation to the Soviet-Manchukuo Waterways Conference which has been meeting there since June. Shimakov was recently linked by *Tass* with an alleged attempt by a Japanese military officer to steal documents from the Soviet Consulate at Heiho following a banquet. He was later found in another Japanese restaurant.

H. Merrell Benninghoff, American vice-consul in Yokohama, has been assigned to the Mukden Consulate.

The South Manchuria Railway Co. announced Aug. 13 that numerous Chinese railway workers and horses were dead and dying from the epidemic of anthrax which had visited north Manchuria.

Manchukuo Negotiates for 200 Japanese Judicial Officers

Rengo says the services of 200 Japanese legal experts, judicial officers, secretaries, and court clerks are being sought by the Manchukuo Government in an effort to unify the judicial system in that territory. Vast improvements in the judicial system are held necessary by leading officials before the projected abolition of extraterritorial rights can be carried out.

Through-train service between Hsinking and Fusan, the south Korean port, will be established from the beginning of November.

Movements have been started by various organs concerned for the inauguration of a new mail service between Japan and North Manchuria via the Tsuruga and Seishin route simultaneously with the opening of the Lafa-Harbin line to formal traffic on September 1.

Japanese Refugee Gives Details of Kidnapping by Mongols

Isaburo Matsudaira, an employe of the Bank of Manchu, who was a member of a mixed party of Japanese, Manchurians and Russians whose whereabouts were unknown since August 6 when they were reportedly attacked by Mongols, was brought to Hailar on the night of August 14 by a Manchukuo police search party. The party, traveling in motorcars to Lake Peierh, were attacked and several members kidnapped. Mr. Matsuidaira was found by the searching party in a state of exhaustion after having apparently wandered for 24 hours in the Mongolian plains. While in hospital Mr. Matsudaira gave an account of his adventures. He managed to hide in some tall bushes and saw the roving band lead away the other members of the party, which consisted of three Japanese, four Manchurians and three White Russians. Members of the party who are still missing are: Ainosuke Kawazumi, Harbin representative of the Chosen Railways; Kaijiro Ishizaki, of the Rokugo Shokai in Harbin, the three Manchurians, and two White Russians. One Russian, a chauffeur, reached Hailar August 11.

More Than a Hundred Licensed Opium Hongs in Kiangsu

One hundred and five authorized opium wholesale hongs are being established throughout the 60 hsien districts under jurisdiction of the Kiangsu Provincial Government in accordance with the Special Opium Suppression Law. Ten first-class districts have been authorized to have three retail offices each, 25 second-class districts two each and 25 third-class districts one each, making a total of 105 official opium wholesale hongs. In addition to the wholesale agents, the provincial opium suppression committee has also authorized the establishment of one retail office ach, divisional district under the hsien government. The total number of retail offices throughout the province should be well over 1000 when all have been established.

Drug addicts in Kiangsu number 343,500 persons, according to the registrations carried out by the authorities following the enforcement of the "Opium Suppression" Law in that province. The actual number of opium smokers, however, is probably larger as many are known to have delayed their registration. According to the stipulations of the law, those who fail to register will be severely punished when found smoking. Only "licensed" smokers are allowed to purchase opium from the authorized agents and smoke at the government owned and supervised "swallow nests," as opium dens are called in China.

An opium monopoly is to be enforced in Fukien, the new arrangement to come into effect on September 1.

Since the recent enforcement of opium suppression in Peiping a total of over 500 opium addicts have been arrested and sent to the Wei Shu Hospital to be cured of the vice.

In order to restrict opium smoking in North China, the Nanking Government has decided to impose a special opium tax in the five northern provinces.

A recent message from Tientsin stated that opium smoking is now being openly encouraged in the Luantung districts. It is alleged that there are at present more than three thousand opium dens in the Luantung area, all which are duly protected.

Fifty Americans Will Attend Red Cross Conference in Tokyo

In connection with the 15th International Conference of the Red Cross Society to be held in Tokyo for three days from Oct. 17, the *Japanese Military Information Service* at Tientsin says that 50 American representatives will be present including John Barton Payne, former U.S. Secretary of State—more representatives from any one country than ever attended any of the previous 14 conferences. The N.Y.K. *Asama Maru* changed its sailing schedule so as to have the honor of carrying the American delegates.

Japanese Charge Soviets with Inciting Bandit Attacks on C. E. R.

ENUMERATING 13 cases wherein freight trains carrying Japanese military supplies on the Chinese Eastern Railway were wrecked and later attacked by bandits, the Japanese War Office in a lengthy communique August 17 attributed the mishaps to careful plotting by Communists in the employ of the railway. The accidents took place between April and July this year. The military cited three points in support of their contention that careful planning by Communist elements were to blame for the incidents. These are: Only freight trains carrying Japanese military supplies or troops were wrecked; bandits immediately opened fire upon the upturned wagons and in some instances set them on fire; the C.E.R.'s telephone lines were cut, but the special lines used for the dispatching of trains were left intact. The last point, in particular, was stressed in the communique as evidence that persons with a thorough knowledge of the Chinese Eastern Railway's operating system were directing the sabotage. The War Office also denied the allegation that Japan was actuated by a decite to seize the Railway in permitting Manchukuo to arrest 17 Soviet employes of the line, declaring that it was but natural for the Manchu authorities to seize those whom they believed responsible for the train accidents. This, it was pointed out, "is merely a step taken by Manchukuo police against a group of criminals."

The failure or success of the negotiations for the transfer of the Chinese Eastern Railway from Soviet to Manchukuo ownership rests solely upon the attitude of the U.S.S.R., Chuichi Ohashi, vice-minister of foreign affairs of Manchukuo, stated before leaving Japan for Changchun. "I am convinced that there are ways and means out of the deadlocked negotiations, in spite of the withdrawal of our delegation," he asserted, but, "if, nevertheless, the U.S.S.R. declares that the negotiations have definitely broken down because of our withdrawal, the responsibility for the breakdown will rest solely with the Soviets."

Further Negotiations Useless, Japanese Say

Continuation of further negotiations with the Soviet Union with regard to the sale of the Chinese Eastern Railway is not necessary, Japanese War Office leaders say. They accuse Moscow of the utmost insincerity for the rejection of the compromise plan of Mr. Hirota. Manchukuo, they say, should insist upon autonomy in the control of the C.E.R. and should in future regard the line as a private railway in Manchukuo. The Japanese Army theatens to take drastic action in case the C.E.R. should refuse transportation of Japanese troops on its eastern section or should, support Chinese bandits in raids on the railway.

It was announced in Changchun, Aug. 20 that the Manchukuo Government has decided not to send its delegation to the Chinese Eastern Railway negotiations in Tokyo unless the Soviets accept the Hirota compromise proposal or make a counter-proposal. Hsieh Chieh-shih, the Foreign Minister, held a conference with government leaders, including Chuichi Ohashi, the Foreign Vice-Minister and chief of the delegation to the Tokyo negotiations, Aug. 19. After a discussion lasting many hours, they agreed that the Soviet Government must assume full responsibility should the negotiations be a failure, charging "insincerity" on the part of the Soviets.

In an article dealing with the suspension of negotiations on the sale of the Chinese Eastern Railway, Moscow *Izvestia* comments that the fresh arrests of Soviet employees of the railway is a manifestation of the fact that the Japan-Manchurian authorities have turned to a continuously intensified campaign of slander and violence.

Wholesale Arrests of C. E. R. Employees

Following the mass arrests of responsible employees of the Chinese Eastern Railway (Easern line), by Manchukuo police on the night of August 13, when thirty Soviet citizens employed by the railway were arrested including the station-master of the most important stations Imienpo, Mataoshi, Hailin, and Pogranichnaya, it was learned that the Soviet assistant station master at Harbin named Sholom, had been taken into custody already a month ago. He has gone on hunger-strike, protesting against the unfounded arrest, and demanding speedy examination of his case. Due to his greatly weakened state and serious illness, Sholom after 6 days of hunger strike, was transferred from the prison to a hospital. Charged with carrying out espionage in favor of Soviet Russia, 29 Soviet employees of the eastern section of the Chinese Eastern Railway including several engineers holding important positions and many women, were taken into custody at Sunfenho, August 16. Those arrested Aug. 13 were brought to Harbin Aug. 20 under heavy guard.

Further arrests of Soviet employees of the Chinese Eastern railway were reported from Harbin August 21. On August 18, Manchukuo police arrested the chief of freight service of station Imienpo, Ostanin, the cashier of the commercial agency of C.E.R. at Sochintze, Sokolov, and the station-master of Taipingling Mikhailov. Seventeen more Soviet C.E.R. employees were arrested in Mr. Rudy's office in Harbin August 22.

Well-informed circles in Harbin (according to *Tass*) regard these arrests, as the beginning of a widely-planned provocation with the object of "proving" that the countless "bandit" raids on the Eastern line of the C.E.R., trainwrecks, raids on stations and railway settlements, kidnappings of railway employees by railway employees by "bandits", and the whole outrageous regime to which railway employees and their families have been subjected in recent months, are being organized by the employees themselves. These arrests are considered only the beginning. The Japanese military are believed to be preparing to place the Eastern line of the C.E.R. under martial law, in order to effect its actual seizure.

Japanese telegrams allege that large quantities of dynamite were found hidden under floors of several cottages occupied by Soviet employes of the Chinese Eastern Railway at Suifenho, August 15. The discoveries were made following searches of the houses where 29 railway employes had previously been arrested. Among those arrested was one Pitieff, station master at Suifenho.

According to the Harbin press, more than 1,500 Soviet citizens, residents of Imienpo, Muling, Pogranitchnaya, Tsitsihar, Pokotu, and Manchuli, recently left for the U.S.S.R. It is reported that the only Soviet citizens now residing on the eastern and western sections are employees of the Chinese Eastern Railway.

Reports received in Harbin Aug. 13 state that Soviet citizens at Imienpo are selling their houses and belongings at one-third of their value.

Soviets Progressively Reduce Price of Railway

Tass makes the following report on the situation:—"On May 2, 1933, the Soviet Government, actuated by the desire to radically eliminate sources of possible conflicts with Japan, informed the Japanese Government that the Soviet Union was ready to sell the Chinese Eastern railway to Japan, or to Manchukuo. On June 26, 1933, the conference was opened at Tokyo. The Soviet delegation named the purchase price of 250 million gold roubles, or, according to the then existing rate of exchange, 625 million Japanese yen, which was backed by documents, inventory of the railway, evaluation of railway property, and entries in the books of the railway board. In reply, the Manchurian delegation offered, obviously not seriously the price of 50 million yen. In the course of subsequent negotiations, the Soviet delegation, desiring early to settle the question of sale of the C.E.R., agreed, as early as August 4, 1933, to reduce the price to 200 million gold roubles.

"After that, a 6 months' lapse occurred in the negotiations, which was caused by the notorious provocational arrests of six leading Soviet employees of the C.E.R. After the renewal of negotiations, the Soviet Government, true to its peace policy, has made the most important concession expressing on February 26, 1934, its readiness to sell the railway for 200 million yen, and consenting to accept one-half of that sum in Japanese goods. This decisive step of the Soviet Government, intended to meet Japan and Manchukuo halfway, has not met with corresponding attitude on their part. On April 26, the Manchurian delegation made a new offer to purchase the railway for 100 million yen, including, however, in this sum compensations for railway employees and workers who would be discharged after the sale of the railway, amounting to 30 million yen.

"In answer to the wish expressed on May 18 by the Japanese Minister of Foreign Affairs, Mr. Hiroto, to the Soviet Ambassador, Mr. Yurenev, that the Soviet side meet them halfway and make a new concession, Yurenev on May 25 told Hirota that the Soviet Government, wishing to facilitate his task of mediation, was ready to further reduce the price of the railway by ten million yen.

"On June 23, Hirota offered to Yurenev to purchase the railway for 100 million yen, the compensation for discharged workers to be defrayed by Manchukuo. On June 28, Yurenev, under the instructions of the Soviet Government, told Hirota that the Soviet Government was ready to make a new concession and to sell the railway for 170 million yen. On July 23, Hirota offered Yurenev 120 million yen, with the compensations for discharged workers to be defrayed by Manchukuo.

"On July 30, Yurenev told Hirota that the Soviet Government proposed to conclude the negotiations at the price of 160 million yen and agreed to meet Japan and Manchukuo halfway by accepting goods to the amount of two-thirds, and not one-half, of the purchase price."

The Soviet Government, says *Tass*, had every right to expect that this offer would duly meet with favorable response and lead to successful conclusion of negotiations. Nevertheless, Hirota declined also this offer of the Soviet Government, giving his negative answer in the form of an ultimatum.

A recent Tokyo message intimated that Japan may protest to the U. S. S. R. against the disclosure by the Soviets of the various offers and counter-offers exchanged in the C. E. R. negotiations on the ground that it violates an agreement made March 5 between Mr. Hirota, the Japanese Foreign Minister, and Mr. Yureneff, Soviet ambassador.

Although the Japanese Foreign Office was incensed by the action of the Soviets in disclosing the course of the negotiations for the sale of the Railway, it also issued a long statement August 21 giving its version of same. It differs little from the Soviet statement as regards facts, but interprets them differently. The Foreign Office set out Japan's efforts at mediation and intimated that a really grave situation would arise if the Soviet's real intention was that the negotiations should drag on in the hope of seeing Japan involved in an international crisis. Pointing out how the Soviet had scaled down its original price of 250,000,000 gold roubles to 160,000,000 yen, which is cited as evidence that the first demands were exaggerated, and detailing all the conferences held and offers made since the commencement, the statement shows how Japan "has consistently and sincerely acted in the role of mediator." It says that Russia was not justified in regarding the final offer made by the Japanese Foreign Minister in the light of an ultima um. The statement ends by saying that Japan still entertains hopes for a satisfactory settlement which will eradicate friction and contribute to the peaceful development of good relations. The Japanese emphatically denied any intention to seize the C.E.R.

Manchukuo Says It Has Not Refused to Negotiate

In a formal statement Aug. 19 Manchukuo authorities categorically denied reports appearing in the local press alleging that they had declined to discuss any question with Soviet consular authorities until a number of frontier incidents had been adjusted to their satisfaction. "We have never refused to negotiate," a spokesman for the Foreign Affairs Commissioner stated.

Chinese Newspaper Says Both Sides Are Insincere

The Shanghai *Shun Pao* comments:—"Strictly speaking the Soviet authorities have no desire to sell the Chinese Eastern Railway. The reason why they agreed to negotiate for its sale was that they could no longer stand the Japanese military exploitations of the line and they want to put off the war scare as long as possible. Soviet Russia knows clearly that Japan has no intention to purchase the line although she might take it over by force if the situation warranted. In case of an outbreak with Soviet Russia the Japanese could easily seize the line without paying a single cent. So both sides have lacked sincerity since the very beginning of the purchase negotiations in Tokyo and it is nothing but a comedy. Press reports state that the Japanese Foreign Minister has declared that Japan will cease to mediate in the C.E.R. negotiations and that in the future the negotiations should be conducted between Soviet Russia and Manchukuo directly. At the same time the Manchukuo representative, Takahashi, Vice-Minister for Foreign Affairs, is a mouthpiece of Japan and if he takes up the negotiations it would not make much difference. Mr. Hirota is planning to use this as an intimidation to Soviet Russia. But will Soviet Russia subjugate itself to the Japanese Government? However, it would be wrong to suppose that the breakdown of the Japan-Soviet negotiations would lead to war between the two countries. Preparations on both sides have not yet been completed and neither side is willing to fire the first shot."

Japanese Army Circles Adopt "Stern Attitude" Towards Soviets

Aroused over what was termed by a spokesman as "propaganda efforts to calumniate the Empire," Japanese army circles in Tokyo Aug. 17 showed a marked stiffening of their attitude towards the U. S. S. R. The Imperial army will take a "stern attitude" towards all future unfriendly acts engaged in by Soviet authorities on the Manchukuo and Korean borders, the spokesman intimated. However both military and diplomatic circles in Japan are watching the possibility of a Russo-French alliance for mutual assistance being concluded. Should such a pact be signed, it will enable the Soviets to take a much more "positive" attitude in the Far East, it was pointed out by Japanese army men.

The Paris newspaper *Le Journal* commenting editorially on the situation, says it is difficult to see what either Russia or Japan has to gain from an armed conflict.

Franco-Soviet Military Alliance ?

A Franco-Soviet treaty creating a defensive military alliance may be concluded next month, according to a recent *United Press* dispatch from London. The alliance, euphemistically termed a "pact for mutual assistance," is expected to be reached during the presence of Maxim Litvinov, Soviet Commissar for Foreign Affairs, and M. Louis Barthou, French Foreign Minister, at Geneva. The agreement would serve as the accompaniment to the prospective entry of the Soviet Union into the League of Nations. However this bi-lateral alliance is to be signed only in case Germany and Poland maintain their refusal to join the proposed Seven-Power Eastern European Pact, commonly referred to as the Eastern Locarno Pact. Uppermost in the French rapprochement with the Soviet Union, it is said has been the realization that the withdrawal of Germany from the League has removed one obstacle to entry.

Official circles is Paris, Aug. 16 emphatically branded as absolutely unfounded the news spread abroad to the effect that an alliance treaty would be signed before the end of his month between France and Soviet Russia, if Germany and Poland refuse to rally themselves to the eastern security pact plan sponsored by France and supported by Great Britain.

Soviets Mass Forces at Vladivostock

Soviet land, navy and air forces are stated to be massing at Vladivostok, and the Far Eastern Army has recently been increased by an additional number of 20,000 men, making up the total of 17,000 strong.

The Acting Consul-General of the U.S.S.R. at Harbin, Mr. Rayvid, August 16 lodged with the Diplomatic Commissar of Manchukuo a protest in connection with an insult suffered by the Consul-General of the USSR, Mr. Slavutsky, at the hands of an official of the Manchurian Government, a whiteguardist Kostomarov, the chief of the Criminal Investigation Department of Manchurian police. The incident occurred over the demand for the showing of a passport.

New industrial enterprises scheduled by the second Five Year Plan must be constructed as near as possible to the sources of raw material and at places where the demand for their produce is greatest, a recent Moscow message stated. Large textile combinats are now being built in Central Asia, Transcaucasia, and Siberia, following this principle. Preliminary work is going on for the construction of three more powerful combinats at Kherson (Ukraine), Khojent (Central Asia), and Tiflis (Transcaucasia).

A party of 10 tourists led by Louis Fischer, correspondent and author, arrived in Moscow last month for a tour of the country. In the group also were Dr. Elizabeth F. Baker, assistant professor of economics at Columbia University; Sylvester Jerry, director of the Kalamazoo (Mich.) Art Institute; and Dr. Dorothea M. Moore of New York.

French Delay in Ratifying Annam Treaty Is Criticized

The *Sin Wen Pao* comments:—"Although the new Sino-French-Annam Commercial Treaty was initialed at Nanking in May, 1930, the document has never been ratified by either Government because of differences of opinion regarding the tariff schedule on certain commodities. As the old treaty has already expired and the new treaty has not yet come into force the Chinese in Annam have been subject to treatment as non-treaty nationals for almost five years, during which many Chinese business concerns have gone into bankruptcy. Recently the Chinese in Annam have submitted a petition to the Chinese Government urging that immediate steps be taken to accelerate the ratification of the new Treaty so as to protect Chinese interests in that country. According to international practice treaties that have been initialled are very seldom rejected by the Governments concerned. In Chinese diplomatic history only two treaties have been rejected after being initialled by Chinese delegates. One was the Ili Agreement between China and Russia and the other was the Riuliu Island Agreement between China and Japan. But both documents were exceptional ones which concerned the territorial possessions of China. In ordinary cases all treaties are ratified after they have been duly initialled. So from China's point of view the new Sino-French-Annam Treaty can be ratified at any moment. The responsibility for the delay rests on the French Government, which has found a new cause for complaint in the interpretation of words in the exchange of notes. Reports are in circulation to the effect that the French Government has decided to start the negotiations all over again. But it must be pointed out that the difference of opinion between the two Governments regarding the new Treaty was not directed to the Treaty itself, but to some misleading interpretations in the annexes. So if the French Government is not satisfied it could easily straighten the matter out with the Chinese Government without the Treaty itself being affected."

General Ho Chien Orders I. S. S. in Hunan to Close Up

Gen. Ho Chien, Chairman of Hunan, has issued a circular order instructing that the International Savings Society and the Sino-French Society in Hunan wind up their business immediately.

London's Mistaken Move

BY C. Y. W. MENG (孟憲彝)

ACCORDING to a dispatch from London dated August 9, it was reported that the Federation of British Industries had decided to send an industrial mission to Manchukuo in the immediate future to study conditions there and to ascertain whether British industries could co-operate with local interests in its development. The mission would also pay a short visit of courtesy and good-will to Japan with the object of establishing friendly contact with representative organizations of Japanese industry and commerce.

The move was welcomed by *The Times* and *The Morning Post*, two of the most conversative papers in England. Some spokesmen in the Tokyo Foreign Office predicted that a change in the British policy towards Manchukuo would take place in the near future. The British move was considered by the Japanese officials as the British attempt to "seek for friendly relations with Manchukuo by co-operating with Japanese business men."

According to another dispatch from London, dated August 13, the British industrial mission would sail on August 24 for Tokyo to enter Manchukuo by the way of Dairen and Seoul; and would stay in Manchukuo for three weeks and would return to England by way of Japan.

According to the same report the mission would not discuss anything about the "Anglo-Japanese commercial competition" nor about the lending of long-term loans, but would dwell essentially upon the discussion of "Anglo-Japanese joint efforts and cooperation in the industrial development of Manchukuo, and the lending of 'short-term loans' to Manchukuo to facilitate the transportation of cargoes to Manchukuo to meet its needs." The *Reuter* report also said that "should the question of the British loan for the development of Manchukuo arise, it will probably be governed by the wishes of the Treasury irrespective of political considerations."

On the surface, of course, it is said that the Mission is a private one engaged in business and has no political aspect, and that the purpose of the Mission is to sell to Manchukuo British machinery and equipment, etc.

Non-Recognition—But Co-operation For Its Development—Is This Consistent?

The Chinese can not but be quite dismayed by the British action. In the first place, inasmuch as the League of Nations has decided not to accord recognition to Manchukuo, it is up to its members, in which Great Britian is also included, to have no contact and to refrain as much as possible from having dealings with Manchukuo, as this could easily lead to the recognition of the state. The doctrine of "non-recognition" presupposes no intercourse, no contact and, of course, no co-operation of any kind, not to speak of such co-operation for the "development of the state!" Our British friends may argue that the United States accorded no recognition to Russia before, yet the Washington Government permitted the American people to go on in trade relations with the Russians as usual; and that American capital and technical experts play a great part in the development of Russia and that the same rule may be applied to Great Britain and Manchukuo. Our answer is that America and Russia are traditionally friends whose long friendly relations and friendly feeling have never been broken off; and that the severance of the diplomatic relation between America and Russia was only nominal; and that the American policy towards Russia before the recognition was to maintain the past friendly relation and feeling with the Russians by allowing its citizens to go on trading with the Soviets. So the American Government did not interfere but "connived" at the trade intercourse between Americans and the Soviets. The same could not be the case between Great Britain and Manchukuo.

As every layman knows, Manchuria was forcibly invaded and occupied without any provocation by the Japanese in violation of all international agreements: and "Manchukuo" was created by Japan, as its puppet, to serve the Japanese purpose. As soon as the time is ripe, Japan would abolish such state, would make Henry Pu Yi, the present figure head of Manchukuo, a prisoner; and would incorporate Manchukuo into the Japanese empire, in the same manner as Japan did with Korea. So though justice is not yet vindicated, and the aggressor has not yet been brought to justice, which we believe, is only a matter of time, the whole civilized world is condemning Japan today for her unjustifiable aggression and militarism toward her neighbor; and the creation of Manchukuo is now only a laughing stock in the world annals. So the League of Nations adopted the principle of non-recognition. So with other non-members of the League. The latest British move in opening intercourse with Manchukuo and in sending an industrial mission to Manchukuo comes, therefore, as a great surprise, not only to the Chinese but also even to the Japanese and Manchukuo!

As reported, the chief purpose of the British industrial mission to Manchukuo is to discuss the "joint efforts and cooperation in the development of Manchukuo." The Mission is having, according to the report, "every" legitimate support" from the British Government. Such ill-advised action, aside from being interpreted as an indication of the possible change of the British policy to "friendliness" towards Manchukuo, is also being interpreted as a strong evidence of the British willingness and intention to open intercourse with Manchukuo, as the first step toward de facto recognition of Manchukuo. It also indicates that the British by no means observe and "stick" to the doctrine of non-recognition, and are doing something just contrary to the letter and spirit of the League's decision; and it also indicates the "connivance" and "implied consent" of the British Government at the opening of trade relations between the British citizens and Manchukuo. We have not heard that the London Government has given a single word of warning or advice to its citizens not to have any contact with Manchukuo inasmuch as the British Government has not yet recognized Manchukuo and the Government could not give any protection to its citizens in Manchukuo. In the absence of such action, we are justified in accusing the British Government of having "connived" and "consented" at the sending of an industrial mission to Manchukuo, the Chinese public opinion being that such "connivance" is not without political aspect!

Japan Making Concession in Order to Secure Recognition

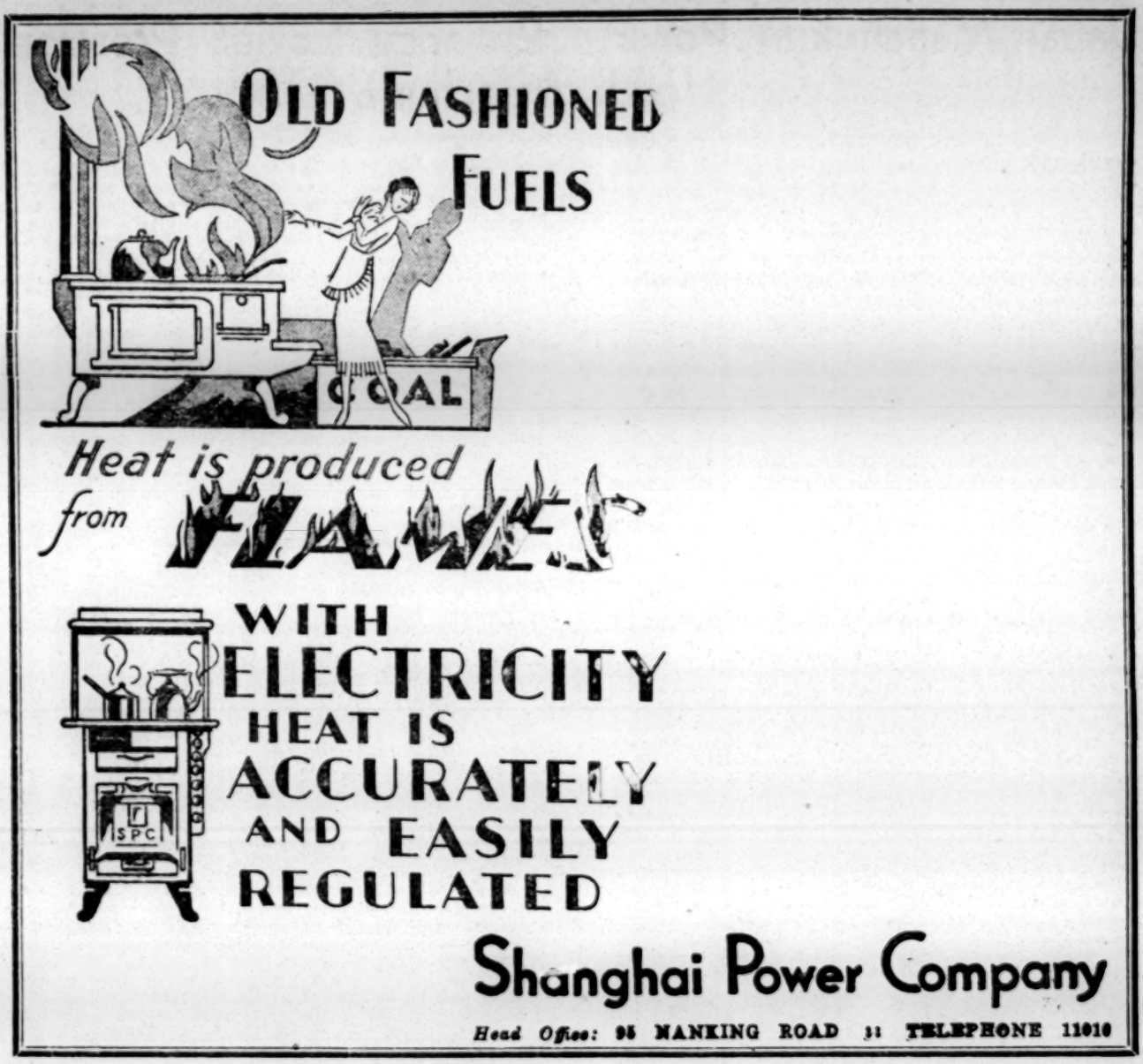
The British should be fully aware that the Island Empire has been doing what it could to seek for recognition for Manchukuo. First, the Japanese must have been bold enough to approach some big powers for the recognition, but the League's non-recognition principle puts en end to all their hopes. So Japan turned to some "small" powers for recognition, and they succeeded in inducing one small power to recognize Manchukuo. At present, Japan is willing to offer many "concessions" to the powers in exchange for some "tacit recognition," if not an express recognition by offering many inducements to foreign industrial and commercial interests. Just imagine, even in ordinary times, when Manchuria was still under Chinese sovereignty, it was already being dominated by the Japanese, politically and economically. When Manchuria was captured by Japan and Manchukuo was being established, the Manchurian "doors" were practically all closed to all foreign trade. This can be proved by the fact that all industries throughout Manchuria are now controlled by Japanese-managed companies; just to mention one case will be sufficient to indicate the seriousness of the situation. One foreign bank of sound standing formerly having 15 branch offices throughout Manchuria has now to close 13 of them, apparently due to enforcement of the many regulations which cause the business falling into the hands of the Japanese merchants. If further proof is required, the British at home need only to send a few dispatches to the British consuls in Mukden and Harbin, who would verify our statement. Then, where is the room for the British to trade and invest in Manchukuo? In the time when the Japanese are seeking for the recognition, they may speak hundreds of good-to-hear words; and may make hundreds of sweet promises to the foreign capitalists. It is after recognition has been won that many regulations tending to curtail the foreign business would be enforced. This is predicted not as probability but as certainty. Our British friends should take notice of this!

Trade with China or Manchukuo—Which Is More Important?

Our British friends may further argue that the British motive in sending an industrial mission to Manchukuo is only to dispose of British surplus goods; also that the mission is only commerical in nature. In our opinion, to improve trade relations with China is far more advisable and advantageous to the British than to do so with Manchukuo; and China is a far bigger market for the British surplus goods than that in Manchukuo. "Manchukuo" or Manchuria, consists of only four provinces of the Chinese Republic, and is only a small part of the whole of China. By virtue of its territorial proximity to Japan, and due to the Japanese political and economic aggression, and many other reasons, Manchuria is now only a market for the Japanese goods, but not for other foreign goods; and is only a place for Japanese investment, but not for other foreign investment. In seeking for markets in Manchukuo the British are only doing a right thing in a wrong way!

Sino-British Friendly Feeling in Danger!

Lastly, the most precious of all is the mutual friendship. The saying that markets follows gunboats is no longer true nowadays. On the contrary, markets only follows friendship and friendly feeling. If the British could take such actions to cultivate better friendship with China, as the revision of the commercial treaty with China, which expired long ago, and the conclusion of a new treaty with China based on the principle of equality and reciprocity and abolishing of all "special rights" in China, the British would have won a better friendly feeling of the 450,000,000 people, and would have



opened a far bigger market for British goods and investment. Just imagine, a slight increase of one dollar per capita in the purchasing power of the Chinese would mean an increase of $450,000,000 to their foreign trade! The development of the North-West or Szechuen Province alone would require the emormous importation of foreign industrial and agricultural equipments, etc., of which China could not produce a single unit. Why do not the British turn and devote their whole attention to China for disposal of their machinery and for investment; and why do not the British take the right step towards the right direction?

On the other hand, if the British actually open commercial intercourse with Manchukuo, the British would necessarily sacrifice their friendship with China. If the British, in sending an industrial mission to Manchukuo, in order to "please" the Japanese, they are to be reminded that while the cultivation of "friendship," "goodwill," "courtesy," etc., with the Japanese may be necessary to the British, yet to "please" the Chinese and to cultivate the Chinese is equally necessary and important, if not more necessary and important, to the British. In the past, the Chinese have been already very dissatisfied with the British policy and action because of the Manchurian situation. The present British action in opening commercial intercourse with Manchukuo—the first action of this kind ever taken by a big power—is sure to arouse a bitter feeling of the Chinese. As soon as the British dare to invest a single cash in Manchukuo industry and work in cooperation with the Japanese towards its "development," the Chinese would at once consider the British action as "unfriendly," and would never fail to take some retaliatory actions. The British may have to experience another "hard time" in China, and may have to face another Chinese "nation-wide anti-British movement" which took place 1925-6. Then, the Chinese would turn to the Americans or Germans for the importation of materials. That is, the British may succeed in opening a market and a place of investment, in Manchukuo but have to lose a far greater market in China! So the British industrial and commercial interests are advised to think more, reconsider carefully, and weigh which is more important to the British—(1) the long friendship with China or the opening of the trade relations with Manchukuo, which is bound to be short-lived; (2) the market in China, or the market in Manchukuo; (3) to please Japanese more, or the Chinese more; (4) to bow down before Might, or to stand for Justice—before theys hould actually sail for Japan en route to Manchukuo on August 24.

Nanking, August 18, 1934.

Peiping Women Rebel Against Bare Leg Restriction

The Peiping municipal authorities have been openly challenged by the Peiping Women's Association over their recent order against women and girls walking with bare legs. In a statement issued in this connection by the Women's Association, supprise was expressed at the issue of the order, which the Association regards as ridiculous. The statement said that women to-day are different from what their grandmothers used to be and what was regarded as fashionable dresses by their ancestors are considered antiques by the girls of modern times.

The authorities of Ichang have issued an order regulating dresses for women and girls. The order declares that no women should be allowed to walk out with bare feet and legs, and that their sleeves should not be above their elbows. The authorities threaten to impose heavy fines on those who ignore the order.

Japan-Manchukuo Policies Enhance Soviet Prestige in North Manchuria

(By the Review's Harbin Correspondent)

TREMENDOUS enhancement of Soviet prestige, noticeable of late amongst the populace of North Manchuria, has been due, to a certain extent, to the actions of the Manchukuo press and of a certain part of Manchukuo officialdom. Fallacious as this statement may seem yet in the face of recent events it is certainly true. In the first place, it is explained by the general policy of the Manchkuo press and officialdom to maginify every frontier incident, cropping up here and there between Manchukuo and the Soviets, to the extent of near *casus belli;* secondly, every Manchukuo demand hurled at the Soviets in connection with these incidents they treat as an ultimatum; and, thirdly, the Soviets, undaunted by the hue and cry raised at this side, continue to turn back every Manchukuo protest, all of which explains why the Soviet prestige has been going up in direct proportion to the waning of Manchukuo prestige even in the eyes of its own population.

It is needless here to enumerate all the incidents that have recently sprung up between the Soviets and Manchukuo—all of which are a matter of general knowledge. However the most serious one involving the "honor" of a Japanese officer in active military service, about which the Japanese are said to be especially particular, has had no redress of any kind. I mean the so-called Taheiho incident of last month, when a Japanese officer, while at a banquet in the Soviet Consulate in that town, was caught red-handed in the process of stealing Soviet documents. Since the incident involved the "honor" of a Japanese officer, something new which has never figured in the Soviet-Japanese relations, the hue and cry raised by the Manchukuo press defies any description. The young officers of the Kwantung Army lost no time in pressing their higher-ups to adopt some "drastic" steps vis-a-vis the Soviets with a view to obtaining speedy redress for the injury of the officer's "honor." Lastly, Col. Komatsubara, chief of the military mission in Harbin, has formally filed a protest with the Soviet authorities, demanding of the Soviets in the name of the Kwantung Army (mind, in the name of the Imperial Japanese Army) to issue a speedy retraction of the Soviet version of the incident, coupled with apology, guarantee, and all sorts of things. Notwithstanding all this, the Soviets seem to be firm in their version of the incident; they continue to call a thief a thief.

Now, suppose that a similar incident took place in the Chinese Consulate, and a Japanese officer were named a thief or a would-be thief of secret papers. It is not difficult to imagine that the Japanese Government would, in that case, jump upon the Chinese, demand a speedy retraction of the Chinese version of the incident, and support the demand by a number of warships dispatched to principal Chinese ports. The Japanese, residing in all Chinese cities and ports, would raise a hell of a cry, bombarding Tokyo with petitions. Being frightened by this show of force and "popular" indignation, the Chinese Government would then humbly lodge its apology with the Japanese Legation, retracting the whole incident. But the Soviets are seemingly made of sterner stuff; despite all the show and "cocking" at this side, they have turned back the Japanese protest, and stand pat on it.

Soviets Exonerate Their Servants

The part being played by Manchukuo officials, regardless of who they are—"Manchu" or White Russians—is quite comprehensible; they try to create such a situation between the Soviets and Japan, which would eventually bring these countries to an armed conflict. Those of them who are placed in frontier districts seem to be especially bent on exaggerating and magnifying everything done by the Soviet troops or frontier guards. For instance, every appearance of a Soviet airplance, even though it might have been flying over its own territory, they report as having flown over Manchukuo territory. Just the same happens if a squad of the Soviet frontier guards was observed riding along the frontier. It is also reported as a serious trespass on Manchukuo territory. And there is practically no way of verifying the correctness of all these reports; this is all the more true because the Soviet side has to say something practically on every incident, invariably exonerating its servants.

This malicious design on the part of Manchukuo officials is not confined to thos who are placed in frontier districts alone; it is well discernible here, in Harbin, where these officials seem to work hand in hand with Manchukuo and White Russian pressmen. Here, they seem to have specialized in discovering allegedly clandestine activities of Communists, whom they see practically in every walk of life; in clubs, theatres, minority communities and so on, not to mention, of course, the Soviet section of the C.E.R. management. And where there is a will there is a way. In case, if a Soviet citizen happens to be disliked by the police, or—still worse—to be suspected in undue Soviet patriotism, there are innumerable ways for landing him in the police dungeon. In this respect, the most tried and oft-used method seems to be implicating him in some communistic plot, invented by the police itself. This is done very simply, simpler than most people imagine; the police carries out a midnight search in the house of a suspected person, and invariably finds a bundle or bundles of real communistic propaganda literature, tucked in some out of the way corner of the house. However, do not think that the man had his papers hidden there; nay, those papers are brought and put there by one of the members of the searching party, while others squeeze him. Once arrested, the man is sure of being kept in the police dungeon practically without any limit of time, in any case, until the police deign to deport him. As a matter of fact, of scores of Red Russians, arrested on charges of communistic plot, none has so far been tried and convicted even by Manchukuo courts.

Trumped-Up Communist Charges

That this sort of treatment is liable to be meted out on everyone, irrespective of nationality (even persons enjoying extraterritorial rights) is self evident. It was tried on several Britishers, the members of the Chinese Maritime Customs, in September, 1932, when the Harbin police implicated them in a communistic plot of the most fantastic nature, and deported them, as well as the Chinese members of the Customs, from Manchuria. It will be recalled that then the police, composed of White Russian and "Manchu" policemen, carried out a midnight search in the house of H. E. Prettejohn, the commissioner of Customs (a Britisher), and "seized" a trunk load of communistic literature, the incident having been then used as a sufficient reason for the wholesale deportation of the Chinese Customs employees. That it was a make-shift affair was evident to all. As is known, having been expelled from Manchuria, all the members of the Customs joined the service in China, continuing it up till now. And nobody hears that even one of them has turned out a Communist.

I do not mean to say that there are not communists in Manchuria. Nay, there are plenty of them, but not there where the Manchukuo police look for them. He would indeed be a bad Communist if he were to keep his literature and correspondence under his pillow. A Communist is a clever person, more clever than a Manchukuo official, regardless if he is a Japanese, "Manchu," or White Russian. In Manchuria, he does not betray his party allegiance even by a single word or act; he regularly attends the church service; has icons in every corner of the house; has a regular business, or—still better—is on the staff of some Manchukuo institution; extolls Henry Pu Yi and all his crowd to seven skies,—in short, he is a man of six senses, and as such knows his business.

The zeal of Manchukuo policemen, especially of White Russian members of the police, is explained by the fact that a good number of them are newly hired men, who until recently were jobless, and as such have come through the direst form of privation and misery. Now, having secured a job as policemen or detectives, however small the pay may be, they naturally wish to show their zeal and usefulness to their employers—the Japanese—which under existing conditions may be demonstrated only through the discovery of a communistic plot and arresting its alleged participants. And the bigger the "plot" is, the better for them. Therefore, this kind of activity is a matter of daily bread for them.

There is, however, another reason why they—the White Russian members of the Manchukuo police—would like to precipitate a crisis between Japan and the Soviets, and actually strive hard to bring it about. It lies in that absurd notion, seemingly adopted as a definite policy by the so-called White Russian leaders, that war between Japan and the Soviets would lead to the downfall of the Soviet regime in the entire length and breath of Russia and in the appearance of a White Russian Government instead. In othre words, they expect that Japan will, for the sake of the futute non-communistic Russia, stake her fate in a major war, and create such conditions in Russia (or Siberia?) which would enable the Whites to come and reign; or, they wish to take chestnuts out of the fire by means of Japanese hands,—something not yet tried in modern history.

The future is shrouded in dark clouds. Perhaps, the Japanese will really try to play "big" in the "saving" of Holy Russia; however, in that case the Bolsheviks promise "to lick" them in no time. And, judging by all appearance, they mean business when they say it.

Harbin, August 16, 1933.

PEIPING-LIAONING RAILWAY

ABRIDGED TIME TABLE

1st July, 1934 and until further notice.

DOWN TRAINS									MAIN LINE STATIONS		UP TRAINS							
41 Slow D 1 2 3	301 Ex. S D 1 2 3	1 Ex. S D 1 2 3	305 Ex. S D 1 2 3	23 Fast D 1 2 3	5 Ex. D 1 2 3	21 Ex. S D 1 2 3	3* Ex. S D 1 2 3				302 Ex. S D 1 2 3	22* Fast D 1 2 3	42 Slow D 1 2 3	4 Ex. S D 1 2 3	24 Fast D 1 2 3	2 Ex. S D 1 2 3	306 Ex. S D 1 2 3	6 Ex. D 1 2 3
5.45	15.05	8.45	18.50	13.15	16.30	20.15	10.55	dep.	Peiping - - -	arr.	10.24	11.29	17.55	18.42	23.17	9.18	8.19	11.50
6.20	15.36	9.13	19.20	13.46	—	20.48	11.24	,,	Fengtai - - - -	dep.	9.54	10.55	17.21	18.15	22.48	8.47	7.49	—
7.45	16.40	10.21	20.26	15.01	—	22.08	--	,,	Langfang - - -	,,	8.50	9.26	15.43	—	21.34	7.45	6.43	—
9.16	17.50	11.28	21.39	16.30	19.07	23.38	13.32	,,	Tientsin Central	,,	7.40	8.03	14.14	16.05	20.11	6.39	5.30	9.15
9.25	17.59	11.36	21.48	16.39	19.15	23.47	13.40	arr.	Tientsin East -	dep.	7.30	7.50	14.00	15.55	20.00	6.30	5.20	9.05
9.35	18.20	11.50	22.20	16.55	—	24.00	13.50	dep.	,, ,,	arr.	7.05	7.36	13.46	15.40	19.50	6.15	4.50	
10.38		12.47		18.03	Stop	1.10	14.47	,,	Tang-ku - - -	dep.		6.31	12.46	14.45	18.51	5.11		
11.46		13.45		19.08		2.18	15.40	,,	Lu-tai - - - -	,,		5.26	11.41	13.48	17.43	4.08		
12.52		14.42		20.11		3.32	16.39	,,	Tang-shan - -	,,		4.15	10.30	12.50	16.37	2.58		
13.39		15.17		20.47		4.20	17.14	,,	Ku-yeh - - -	,,		3.30	9.44	12.18	16.05	2.16		
14.29		15.49		21.21		5.12	17.46	,,	Lanhsien - - -	,,		2.32	8.45	11.39	15.22	1.18		
15.32		16.31		22.11		6.18	18.28	,,	Chang-li- - - -	,,		1.29	7.40	10.58	14.37	0.19		
16.16		17.04		22.46		7.07	19.01	,,	Pei-tai-ho - - -	,,		0.39	6.54	10.27	14.00	23.31		
16.43		17.23		23.08		7.33	19.20	,,	Chin-wang-tao -	,,		0.01	6.25	10.04	13.35	22.59		
17.05		17.40		23.26		7.55	19.37	arr.	Shan-hai-kwan -	,,		23.30	6.00	9.45	13.15	22.30		
		18.40						dep.	,,	arr.						21.26		
		16.25						arr.	Shenyang (Mukden)	dep.						10.15		
	FOR SHANGHAI		FOR PUKOW								FROM SHANGHAI						FROM PUKOW	

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket in connection with which they intend to claim refund.

No. 3 and 22* Temporary suspended.

Tientsin, 1st July, 1934.

BY ORDER.

W. M. Bickerton Relates How Japanese Police Beat Him

When W. M. Bickerton, the young New Zealander who was arrested in Tokyo in March and charged with "harboring dangerous thoughts," arrived in London he gave to the press details of his experiences. From the point of view of British subjects in Japan his story is a disquieting one, says the *Manchester Guardian*.

His arrest took place on March 13 and was part of a general police drive against Communists which followed what is referred to in Japan as the "Communist lynch affair." The charges at first made against Mr. Bickerton were that he knew Communists who had already been arrested and that he had given money and English Communist papers to them. He replied that he had Communist sympathies, but was not a member of the party. He was, however, detained in a police cell for a further 24 days, constantly questioned, and repeatedly beaten with baseball bats. At the same time his house was searched. Meanwhile his friends informed the British Consul, who on March 23, ten days after the arrest, succeeded in seeing him in the presence of three police officers. Mr. Bickerton complained of having been beaten, which the policemen denied. He was again beaten twice after this interview, but the police could get no information from him, and he was therefore finally charged with "harboring dangerous thoughts" and transferred on April 6 from the police cells to prison.

The news of the arrest of Bickerton was somewhat slow in reaching England, but a member of the Labor party, John Wilmot, asked questions regarding the matter in the House of Commons April 11.

The *Guardian* comments :—"One may assume that a foreign prisoner who gave no information and about whom an international complication might develop was becoming an embarrassment to the police. After three weeks in prison Mr. Bickerton was released on bail found by his lawyer, the trial being fixed for June 30. It becomes apparent, however, that no superhuman efforts would be made to prevent him from escaping, and on June 8, with little more than nominal precautions, he embarked on the *Empress of Japan* and proceeded through Canada to London. Mr. Bickerton, who is 33, had spent ten years in Japan as a teacher in a Japanese college, and his experience has not altered his opinion that the Japanese are "the finest people in the world." From this description, however, he excludes the Japanese political police. He was herded in a tiny police cell in grossly insanitary conditions, sometimes with political prisoners, sometimes with criminals. He himself was only beaten, but he says that other prisoners were tortured more severely in hopes of a confession. One Japanese student who was arrested at the same time was detained for 50 days and then released. Mr. Bickerton's experience in prison was relatively pleasant. He was in solitary confinement, but had books, papers, and exercise. In the police cell he was often forced to sit for the entire day with his feet drawn up under him. The illegality of indefinite detention was ingeniously avoided at the police station. He was technically released at sunset each day and then immediately rearrested. The reply given to him when he asked to see the British Consul was that this was a matter of international courtesy, not of legal right. The Consul had to ask leave to see him on each occasion, and was not allowed to see him alone or to visit his cell."

Japanese Labor Sympathizers Explain Situation for Lancashire's Benefit

The cheap labor problem and its bearing on the export trade of Japan is discussed in a publication issued by the Research Institute for Social Problems, of Tokyo, which has been received by Lancashire cotton leaders. It points out that as a result of the remarkable spread of Japan's export trade in the world's markets various countries are engaged in a "wholesale movement to check the advancement of Japanese merchandise," have imposed tariffs or restrictions of imports, abrogated commercial conventions, and taken other measures against it. "Foreign markets wish to exclude Japanese goods on the pretext that they are on an unfair basis—namely, the cheap exchange rate of the yen and low labor wages.

The Social Legislation Association, which is composed of "officials, university professors, publicists, journalists, and leaders of proletarian political parties and trade unions interested in social legislation," comments upon reasons given by Japanese exporters "against the raising of the level of the labor conditions" in Japan. The chief reason given was that the improvement of labor conditions would deprive Japan of its chief competitive advantage, as Japan was in an inferior position to other countries in natural resources and technical arts, and "only superior to them in the diligence of workers." The reply of the exporters to tariffs on Japanese goods would be the lowering of wages and the prolonging of working hours.

The Purity Drive

BY PAUL K. WHANG (汪仲芳)

WOMEN of today are still the victims of old conventions and traditions. The sad example of Adam caused our forefathers to be on guard against the temptation of feminine charms and to lay down many codes for regulating the conduct of women—which were called virtues. Thus, in order to be a virtuous woman, she was no longer a free agent and had to live in a cage throughout her life, and to obey her parents while in girlhood and her husband after marriage. She was forced to sacrifice her freedom and happiness on the altar of virtue. In one sense, it must be said that it was the selfishness on the part of men who wrote down these virtues as a subterfuge to deprive the women of freedom and happiness.

In this modern age, while women have claimed their equality with men in every field, the shackle of old conventions and traditions is yet too strong to be broken overnight. Men have still entertained strong prejudice against the ascendancy of women, and have watched their newly acquired freedom with jealous eyes. Any fad imported from foreign countries and taken up by our women would be criticized and denounced by our conservative people as immoral and not virtuous. When the bobbed-hair fad was first introduced into China eight years ago, it was condemned as barbarous, and a few of the provincial governors even went so far as to proclaim that a girl with bobbed-hair would be beheaded. This instance illustrates how far men would go in restricting the freedom of women.

A "Side Show" to the "New Life" Movement

As a side show to the present much advertised New Life Movement, a purity drive is now being conducted by officials in many parts of the country. While the former has been intended to bring reformations to human kind as a whole, the latter, as the name indicates, aims at upholding the good morals of women. The following is a collection of ukases issued by officials of many districts in this connection.

(1) Yuen Liang, Mayor of Peiping and a staunch supporter of this drive, has banned public dancing and deported taxi-dancers from the old capital. He has also prohibited the employment of waitresses in restaurants and tea-houses.

(2) Officials in Canton have prohibited mixed bathing, mixed dancing, public hand-holding and light feminine dresses.

(3) Gen. Chiang Kai-shek, Chairman of the Military Affairs Commission, has set up detailed regulations regarding feminine dresses.

(4) In Peiping as well as in Soochow, bare feet and exposed legs on the part of young women are prohibited.

(5) Under orders of Gen. Chiang Kai-shek, no dancing exhibition will be allowed to be held in Nanchang, Kiangsi, in future. The dancing performances during which the girls are stripped to the waist are regarded as against the principles of the New Life Movement.

(6) Chen Ku-fu, Chairman of the Kiangsu Provincial Government, has drawn up a set of regulations governing the dresses of school girls in Kiangsu. Under these regulations, permanent wave, the use of lipstick and open-chest and open-back dresses are prohibited.

(7) The Chekiang Provincial Government has been petitioning the National Government to grant authority to prohibit cigarette-smoking among women.

Thus all the officials from the Chairman of the Military Affairs Commission down to the city magistrates have been enthusiastically conducting this purity drive for the purpose of upholding the good morals of Chinese women. It will occasion us no surprise that before long the present local and sporadic campaigns may be incorporated into a nationwide movement, and that a long set of regulations governing the good conduct of women may be promulgated by the National Government. When and if that time comes, women will once again find that their every conduct and movement are prescribed by government regulations as in the days of their grandmothers.

True, in these hectic days, many of our "modern girls" are apt to go to extremes in their mad race after fads. Their excessive indulgence in foreign luxuries has been frowned upon even by men with liberal outlooks. Any official action aiming at arresting this deplorable tendency and maintaining the good principle of simple and frugal life should be highly applauded. Therefore it is quite in order that permanent wave and the use of cosmetics among the school girls should be prohibited, inasmuch as school girls should devote their time to study instead of decking themselves out as dolls to parade in the classrooms as in a fashion show. Likewise, smoking among school girls should also be banned.

But to rule bare feet and exposed legs on the part of women as immoral and indecent sounds rather ridiculous. Personally I can not find any difference between bare hands and bare feet. If a girl's bare feet and exposed legs are considered as alluring, her manicured hands and powdered arms will prove even more so. Then why not bare hands and exposed arms be prohibited also? I have seen many pairs of exposed feminine legs on the street every day, but found their hairy appearance rather repulsive than alluring. Feminine legs and feet can be only beautiful and attractive, when they are draped in fine silk stockings. If they are exposed and bare, they will soon lose their beauty and attractiveness.

Nakedness Soon Surfeits

In the same way, a nude feminine figure may prove a sensation to your eyes at the first sight. But this sensation can not last longer than five minutes before you will be surfeited with this plain and monotonous sight. Only a feminine figure in beautiful dress with its curves can fire your imaginations and conjure up your fancies. The attractiveness of "Lily Feet" to the Chinese of bygone days is, of course, not the ugliness and deformity of the feet themselves, but the cute and embroidered slippers and silk bandages which covered the ugliness and deformity.

If bare feet and exposed legs on the part of women are alluring to men, then bare feet and exposed legs on the part of men will prove equally alluring to women. For the sake of public morality and decency, the government officials should without hesitation prohibit ricksha pullers and manual workers appearing in the public with bare feet and exposed legs. It is absurd that while we allow ricksha pullers and manual workers to expose their upper part of the body in the public, we should prohibit women to go out stockingless during these very hot days?

Neither should the mixed dancing be condemned as immoral in this sweeping manner. It might be a good thing to prohibit school boys and girls from frequenting dancing halls; but to the mature men and women who have enough sense to control themselves, dancing provides a needed form of recreation. If cabarets should be banned, how about the brothels, the number of which is even more numerous than that of cabarets?

The evil of mixed bathing is yet to be proved. The mere fact that young men and women appearing in filmsy bathing suits and mixing themselves up in the same swimming pool will lead to evil-doings is presumptuous. To the conservative people who even take objection to the hand holding between a man and a woman in the public, this mixed bathing, of course, represents a very shocking sight. But it does not appeal to us as logical that we should condemn one form of wholesome sport simply because of its imaginary evils.

The decision taken by the Mayor of Peiping in prohibiting the restaurents and tea-houses from engaging waitresses is a very hard-hearted measure, as it is tantamount to the act of depriving many poor girls and women of a livelihood. At the time when business opportunities for women are few and industrial establishments are closed down in wholesale fashion, the poor girls and women who have not had any education have to be contented with these low positions for maintaining their livehliood. A few of these girls and women may not have a proper sense of good morals, but to condemn them all as evil women is not justifiable.

It is rather curious that in this modern age when American and European women have attained the equal status with men, Chinese officials are still lecturing to their women what they should wear and what they should do. Personally I have not any idea to defend the freedom of women, inasmuch as we men have not yet enjoyed any freedom ourselves. But it seems to me that all this hue and cry raised by many of the Chinese officials in conducting this purity drive will lead nowhere, for the good morals of Chinese women can not be saved by merely outlawing mixed dancing, mixed bathing, handholding, bare feet and exposed legs.

The government officials, instead of spending their energy in conducting this useless purity drive, could utilize their time to better advantage in devising ways and means for coping with the present famine situation resulting from recent floods and drought. This famine problem is certainly much more urgent than that of upholding the good morals of Chinese women in the way that it is proposed to be done. As a matter of fact, no official action can change the heart of women and stop them from following a fad or a craze. Instead of imposing their will upon the people, they would better first introduce reformations among their daughters, wives and concubines. The good example set by official families would exert a greater influence upon the public than official proclamations and regulations.

Shanghai, Aug. 20, 1934.

The Tea Industry of China

BY WOO KUEN-CHUNG (吳貫忠)

CHINA is a great tea producing country. As far as several hundred years back, the Chinese teas were already famous among the western people. Still ten of fifteen years ago, when the foreigners had not begun to undertake the planting of tea in their own territories, the Chinese tea occupied a most outstanding place in the foreign market, being exported yearly abroad to the amount of miliiards of dollars, setting off a greater part of our huge adverse trade balance. But now, like the silk industry, the Chinese tea has lost much of its former preponderance, as the tea produced by Ceylon is superior to ours, and that, by Formosa, is cheaper than ours, while Soviet Union has successfully planted tea in the Caucasus, and at the end of Second Five Year Plan she will be able to supply and the whole Union with her own tea.

From statistics compiled by the Chinese Maritime Customs, the export of tea shows a decrease year by year, at the same time, indeed it is pitiful to say, a no small amount of Japanese tea has been in recent years imported into Shanghai! This does not mean that China cannot produce enough for her own use, it means that the Chinese tea is rather too dear for us to consume.

While this deplorable state of affairs may be attributed to the unreasonably high taxes, lack of improvement, and unscientific and unrational production of tea, the chief and greatest cause is the system of tea trading in China. To understand the system, a study of the Tea Stores (茶棧), the tea merchant, and the tea producers is necessitated.

The Tea Stores, or Tsa Chan (茶棧), are the most influential and exclusive tea trading organizations in China. They are all located in Shanghai, except with a small number in Hankow. The Chinese tea trade is wholly handled through their hands. They are a peculiar kind of tea sales agency. Their proprietors are on the one hand pure middlemen, on the other hand financers. They do not own tea, but they lend out money to various tea merchants who come from the tea-produced districts, from several thousand dollars to tens of thousands, according to the reliability of the tea merchants and the confidence they place in them.

The tea merchants are either landlords or gentry of the inland country. With the money on hand they go back to their native places to buy tea from the local farmers, here a picul, there 2 piculs, sometimes they purchase through the hands of another class of tea merchants. When they have collected sufficient goods, they come back to Shanghai, and the Tea Store proprietor who had advanced money to them sells the goods to foreign firms. As to the prices of tea, the Tea Store proprietor must first obtain the consent of the tea merchants before he can make a business. When the goods are sold at good prices, the tea merchants make more profit, and return all they owe the Tea Store proprietor; but when the goods are sold below cost, and they lose, under obligation they also have to return what they borrowed. The Tea Store proprietor acts only as a salesman, or middleman, and draws 10 or 20% commission from every case of tea sold.

But here lies the contradiction of this kind of system. Nominally the Tea Store proprietor is the creditor and the tea merchant is the debtor, but in most cases the latter will not pay his debts if he loses.

As the tea merchants do not know before-hand whether the black or the green tea will be the best seller, or whether the general tea price will be high, so, for the sake of reducing the risk and increasing their profit, they offer the tea-planters—the farmers—a price as low as possible. In turn, the Tea Store proprietor cheats the tea merchants in tonnage and in price. So that no matter how large amount of money the The Tea Store proprietors and the tea merchants may gain each year, the economic conditions of the real tea planters remain the same, that is, they can not get much profit.

The tea planters are mostly tenants or small farmers. They are very poor. They plant tea because they want to make some extra income. To them it is merely a by-trade, because it does give them good profit. So they put no fertilizers on the soil, and the work of plucking tea leaves is left to women and children—as during the tea seasons the men are busily engaged in the fields. They sometimes do not sell their goods at all, if the tea market is bad. But if the prices offered by the tea merchants are profitable, they hire hands to assist in the work, at 60 cents

(*Continued on Page* 517)

"Everyone remarks, 'What a *pretty* baby'"

"WHAT they really mean is *healthy* baby. All babies are attractive but a healthy, robust child like ours always invites admiration. Most women—even mothers—don't realize that careful feeding is what gives Baby that happy, carefree expression.

"WHEN our youngster was three months old—that critical period when *everything* depends on the right food for weaning—the doctor told me to feed him Quaker Oats gruel. He said it would help build bones and muscle—enrich the blood—that it would give Baby a real start in life.

"IT CERTAINLY has done that—and Baby loved it from the start. He's beginning to walk now and, my, such strength in those little legs. I feed him Quaker Oats porridge now—he never seems to get enough of it. Yes, he *is* a pretty baby but first a *healthy* baby, thanks to Quaker Oats."

Quaker Oats is the ideal food for every stage of life from babyhood to old age. Everyone likes its delicious flavour. And everyone will benefit by its health-building properties. Economical. Easy to serve—cooks in 2½ minutes.

LOOK FOR THE QUAKER FIGURE FOR GENUINE

Quaker Oats

2-5

Recent Developments in Manchuria and the Present Status of "Manchukuo"

BY DR. BEN DORFMAN

(Concluded from last week)

MANCHUKUO has fared much more successfully in its railway negotiations with China than with Russia. Through-traffic over the Peiping-Liaoning (Peking-Mukden) Railway was halted shortly after the outbreak of Sino-Japanese hostilities in 1931. The Chinese Government continued to operate the Peiping-Shanhaikwan section of the line, and Manchukuo, later, operated the Shanhaikwan-Mukden section. Japan subsequently brought pressure to bear on Nanking to restore through traffic. As a face-saving device, the Chinese Government, according to press accounts, has arranged to have the operation of the Chinese section of the line transferred to a private company. The Chinese Government, as such, therefore, is not a party to the operating agreement and, hence, is not "recognizing" Manchukuo. Through trains commenced running July 1 for the first time in almost three years.

The Postal Negotiations

Shortly following the seizure of Manchuria, post offices in China refused to accept mail from Manchuria or to forward any to or through it. One of the important pending Sino-Japanese issues relates to the resumption of regular mail service between China and Manchukuo. This is an issue which has an international bearing as well. On May 15, of this year, the "United Kingdom" brought the problem of "transit payments in respect of international mails sent through Manchuria" before the Advisory Committee appointed by the Extraordinary Assembly of the League. The Committee decided that the " 'Manchukuo Department of Communications' cannot appeal to the provisions of the Universal Postal Convention," but that the *postal administrations* of League Members could deal with the *postal administration* of Manchukuo without this bearing on "recognition." It added, that "Lest these technical relations lead to confusion . . . the postal administrations of States Members should contain once for all an explicit statement that they are only to be regarded as communications between one administration and another . . . and not as communications from one government to another."

Postal communications between Manchukuo and most other countries, excepting China, are now fairly well established. The present indications are that China will shortly yield to Japanese pressure and re-establish mail communications with Manchukuo. The League's formula provides a manner in which this can be done without China's technically recognizing Manchukuo.

Foreign Trade of Manchuria 1931-1933

(In thousands of Manchukuo Yuan)

	1931	1932	1933
Imports	341,560	301,068	514,540
Exports	739,235	616,152	423,327
Totals	1,080,795	917,220	937,867
Balance	+ 397,675	+ 315,084	—91,213

Manchuria's foreign trade during the past three years has undergone some phenomenal changes, the most conspicuous being (1) the marked decline in export values, (2) the decline in import values during 1932 and the marked rise during 1933, and (3) the change from a "favorable" balance to an "unfavorable" balance.

Export values declined during this period chiefly because of the floods and disorder in Manchuria, the poor markets for soya beans abroad, particularly in Germany, the drop in the price of important Manchurian exports, and China's restrictions on imports from Manchuria. Actual import values probably did not decline in 1932 to the extent that the custom's reports indicate, since smuggling operations diminished considerably during this year. The large increase of imports during 1933 was due to the unusual demand for foreign flour (floods and banditry seriously curtailed Manchurian wheat production), the exceptionally low price of Japanese merchandise, and more particularly, *the enormous capital investments Japan was making in Manchuria during this period.* These factors resulted in giving Manchuria an "unfavorable balance of trade for the first time in twenty years. In certain quarters, this was regarded as "bad"."

The "favorable" balance, which ordinarily characterized Manchuria's trade, has long been given a Mercantilist interpretation. The "favorable" balance *per se* was neither an "encouraging" nor a "discouraging" feature of Manchuria's trade. Manchuria's visible trade was "favorable" chiefly because of the large remittances which Shantung coolies in Manchuria made to their home province, and because of the other remittances which Manchuria was obliged to make to the outside world. Among these latter were the customs' receipts to Nanking, the payments of interest, profits and "home office expenses" to the foreign firms—chiefly Japanese—with establishments in Manchuria, and the payments to foreign carriers for shipping services. Manchuria had a large "unfavorable" balance of trade during 1933, chiefly because of the enormous Japanese investments made during this period. A high ratio of imports to exports is not at all to be regarded a permanent feature of Manchuria's trade. Once Japan ceases pouring capital into the country, the trade in all likelihood will again become "favorable." Manchuria's trade, incidentally, was never as "favorable" as it appeared to be. Smuggling operations, inaccurate returns, and unrecorded imports of military equipment all served to reduce the officially recorded import values.

As is entirely resonable to expect, Manchukuo's chief customer and supplier is Japan. During 1933, Japan (inclusive of Korea) bought over 48 per cent of Manchuria's total exports and supplied over 66 per cent of its total imports. As long as Japan continues to make investments in Manchukuo, its exports to the State will remain at a high level.

The trade advantages which the Japanese enjoy in the Manchurian market are so numerous that other foreigners cannot hope to compete with them save in a comparatively few lines. And the handling of these lines, either for import or export, is destined more and more to slip away from the non-Japanese traders. American and European trade with Manchuria may conceivably increase, but if it does, it will more than likely have to pass through Japanese hands.

Up until July 22, 1933, Manchukuo retained essentially the same tariff schedules as prevailed under the old regime. Even the currencies in which the charges were collected remained the same. On July 22, 1933, however, Manchukuo revised a number of important merchandise classifications and rate schedules. In the near future, it plans completely to overhaul its entire tariff structure. The alterations, no doubt, will depend somewhat on the treatment China will accord imports from Manchukuo, and the foreign goods which are trans-shipped through China's ports to Manchukuo. One of the important outstanding Sino-Japanese issues concerns China-Manchukuo trade relations. China has been imposing certain penalty restrictions on imports from Manchukuo, and has been compelling the payment of what amounts to "double duties" on all foreign goods trans-shipped to Manchuria through China.

European and American firms handling merchandise, or rendering services, which are competitive with the Japanese in Manchuria, have either abandoned the field or have suffered losses. And the British, Canadian and American governments have closed their commercial offices in Manchuria. Those firms handling oil, automobiles, *et cetera*, i.e., merchandise which finds little Japnaese competition, have expanded their sales somewhat. The Japanese and Soviet oil distributors, however, have periodically made heavy inroads in the British and American oil sales. The British-American Tobacco Company, for the present, has expanded its Manchurian operations as a result of obtaining a concession from the Manchukuo Government. European and American banks have lost some of their business due both to the increased Japanese competition, and to the low price and small exports of soya bean products.

The "Open Door" issue is of little practical importance to the United States and European countries insofar as their Manchurian trade or investments are concerned. Their foreign trade with Manchuria is small and is of such a nature that, with few exceptions, it would not be, materially diminished by a "closed door." The American and European investments in Manchuria are negligible and new investments are not likely to be made at least for sometime to come under any circumstances. Whether the "door" is open or closed, the Japanese will control the flow and placement of new capital in Manchuria. If foreigners decide to invest in Manchuria they will, in effect, "wholesale" their capital to the Japanese, who in turn will "retail" it in Manchukuo. To the few foreigners who have investments, or are carrying on trade in Manchuria, the "Open Door" is of some importance but probably of far less than even they suppose. The "Open Door" by no means signifies "Equal Opportunity."

Frequent charges of discrimination and violations of the "Open Door" principle have been levelled against the Japanese by foreign firms. It is usually not possible, however, to learn how well founded these charges are. British and American oil companies for example charge that Manchukuo discriminates against them in favor of Japanese companies by permitting the latter to enter similar products under classifications which pay much lower customs rates. The bulk of the charges of discrimination, however, do not seem to rest on as good grounds as this one.

Closely related to the "Open Door" issue is the "Recognition" problem. Manchukuo has repeatedly expressed the hope "for other world powers to follow the example of Japan." In making a bid for recognition, it has more than once hinted that it might grant concessions to those countries which so favor it. But the *positive* concessions which it can offer are slight. Manchukuo is in a position, however, to discriminate against the nationals of non-recognising countries who have interests within its borders. Many such persons

have naturally brought pressure to bear on their foreign offices to adopt a "realistic policy" and recognize Manchukuo. It has even been pointed out by some that recognition will probably be necessary to insure the "Open Door."

There is no certainty that Manchukuo would continue to follow its declared "Open Door" policy even if it were generally recognized. The world is now passing through an ugly spasm of *jiu jitzu* economics which places great emphasis on trade quotas and reciprocal —as opposed to polyangular—trade. Manchukuo could logically close its "Open Door" in the new holy name of "economic self-defense." It could even point to its "transfer problem"—and on far sounder grounds than have often been advanced. Recognition, therefore, would provide no guarantee of an "Open Door." And the "Open Door," as I have already pointed out, is of no great economic consequence in Manchuria in any event. Nothing which Manchukuo has to offer the world has thus far won it recognition from any power other than the one which created it—and Salvador.

Recognition of Manchukuo by the United States, I should like to point out, would mean much more than a mere repudiation of the Stimson Doctrine. It would mean abandoning the very cornerstone of our long established, but not over-altruistic, China policy—"Territorial Integrity" and the "Open Door." It may possibly be —as many persons have urged—that we should now formally alter this policy since we are unable or unwilling to implement it in practice. What course to take, however, is for our State Department to decide. But in considering the matter, it need attach but little weight to the alleged economic gains that accrue from recognition. Any conceivable gains to Americans in Manchukuo, moreover, would more than likely be offset by losses to Americans in China proper.

Manchukuo and Japan have both been obliged to spend considerable energy and money in fighting so-called Manchurian bandits. Disorder and lawlessness probably reached their all time height in Manchuria during and following the Sungari flood of 1932. Murders, kidnappings and daylight robberies were daily occurrences in Harbin and other North Manchurian centers. The countryside away from the larger cities, however, suffered the more severe depredations. Rail communications, even on the South Manchuria Railway lines, were frequently disrupted, and night trains were taken out of service in some instances. Night schedules between Hsinking and Harbin were resumed only a few months ago. Japan and Manchukuo all along have attempted to minimize the extent of the disorder in Manchuria. The Chinese, on the other hand, have usually overstated it. The plain fact is that Japan has had to undertake some few thousand punitive expeditions against "bandits" since seizing Manchuria in 1931.

During the past and present year, an increasing measure of peace and order has been restored. Periodically, however, disturbances of serious proportions break out in various sections of Manchuria. The largest "bandit" contingents have been eradicated, but fairly large bands still continue to challenge the Japanese and harass the countryside, particularly along the Eastern Section of the Chinese Eastern Railway. It is doubtful that Manchuria even today enjoys as great a measure of peace and order as prevailed immediately prior to September 18, 1931.

During the disorders which followed the seizure of Manchuria, many Koreans returned to their homeland. Many of these have since returned, but the present Korean population of Manchuria is less than it was in 1931.

Many Chinese likewise departed from Manchuria following the "Incident." They are again beginning to return to Manchuria. During 1932, 225,936 Chinese coolies arrived in Dairen, which is by far the most important point of entry. This exceeded the number who departed during the same interval by only 2,166. During 1933, 323,062 entered Dairen. This exceeded the number who departed by 95,191. During the first four months of 1934, 210,813 entered and 77,856 departed from Dairen, a difference of 132,957, which compares with a difference of 30,729 for the corresponding months of 1933.

The Japanese population of Manchuria (exclusive of the Kwantung Leased Territory) increased from 113,550 at the end of 1931 to 150,162 at the end of March 1933. The additional numbers consist chiefly of advisers, officials, engineers, architects, skilled workers, and merchants. Practically none are permanent agricultural settlers. The two "armed immigrant" contingents of 500 each were failures. These immiagrnts required much greater subsidies than was anticipated. Japanese farmers have far too high a standard of living in relation to their technical efficiency to permit them to compete economically with the Chinese. Informed Japanese more than suspect this, but many Japanese organizations are never the less continuing to project colonization schemes. Manchuria is clearly no solution to Japan's population problem insofar as a direct outlet for its numbers is concerned.

According to the last official census estimate, the population of Manchukuo (exclusive of the Kwantung Leased Territory) is placed at 29,606,000 as of the end of 1932. Japanese, Koreans, and all other foreigners made up 2.4 per cent of this number, and what Manchukuo refers to as "Manchurians" made up the remainder.

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The legalization and expansion of opium production, and the organization of an official opium monopoly in Manchuria have attracted widespread attention. Manchukuo came under such heavy criticism from the outside world because of its opium policy that it made certain revisions in its opium laws and announced to the world that it looked forward to the day when the opium evil would be eradicated from Manchuria. Meanwhile, Manchukuo announced, it would permit addicts to smoke opium, but not the general public. And infirmeries would be established to take care of the addicts. The revised opium laws, nevertheless, legalized the cultivation of opium throughout Jehol Province and large sections of each of the other provinces with the exception of Heilung-kiang. In all, Manhcukuo designated 177,750 acres where the poppy could be legally cultivated during 1934.

Reliable foreign correspondents in the Far East report that Manchukuo has offered every inducement to Jehol farmers to expand their opium production. Taxes have been greatly reduced and other exactions have been eliminated. According to a signed *New York Times* dispatch of a year ago, the anticipated Government tax revenue on the 100,000 acres of poppy under cultivation in Jehol last year, was placed at M.Y.3,000,000 or about U.S.$1,000,000.

Opium production in Jehol, I should like to point out, did not commence with the establishment of Manchukuo. It existed there for many years. General Tang Yu-lin, the former Governor of the province, built his enormous fortune out of trafficking in this drug.

In concluding, I should like to summarize my observations and opinions: Japan has seized and now dominates a large section of territory which the world—inclusive of Japan—formerly recognized as an integral part of China. No effective measures were taken by China or any other power to check Japan's actions. Japan then caused to be established a so-called independent state.

In the economic sphere, Japan has been attempting to fashion Manchukuo's economy so that it will enhance Japan's military strength and complement its industrial requirements. To carry out its economic program, Japan has been obliged to spend and invest enormous sums of money in Manchurian railroads, industrial enterprises *et cetera*. Much of the investment is no doubt justified on economic grounds, but a large fraction of it is not. Certain of the railroads and industries, for example, primarily serve other than purely economic ends. It is doubtful that all of these latter can continue to function except at a loss. The number of economically unsound enterprises which Japan can compel Manchukuo to support is definitely limited. This is especially the case now that Manchukuo has lost—probably permanently—a large share of its profitable export trade in soya beans. Therefore, if Japan goes beyond certain limits in shaping Manchukuo's economy along inherently unsound lines, Manchukuo will remain a permanent burden on Japan. Precisely what these limits are, is difficult to ascertain at present. Possibly Japan has already exceeded them. Moreover, there is some question whether a country in Japan's present financial predicament can afford to invest such enormous amounts of money in enterprises which, though economically sound, will not likely pay for themselves until decades hence.

Whether Japan has paid and is paying too high a price for the additional military security which control of Manchukuo allegedly provides, is a question which Japan must answer for itself. There is such a thing as a nation impoverishing itself, however, by spending too large a fraction of its annual income for military purposes.

The present Manchukuo administration is undoubtedly more technically efficient that was its predecessor. Many of its reforms are commendable achievements. Whether the inhabitants of Manchukuo as a whole are "better off" as a consequence, however, defies answer. Economically the prospects of the masses are certainly no worse. But the legitimate opportunities of the upperstrata Chinese have been considerably lessened. Due allowance must likewise be made for the fact that few peoples have ever been grateful to a foreign government which has "delivered them" from their own rulers—almost irrespective of how bad they were—if it afterwards set up an administration of its own choosing. The Chinese are no exception. Moreover, even should the Chinese people living in Manchukuo, and the several Chinese governments south of the Wall, reconcile themselves to the severance of Manchuria from "legal" China, large and increasing numbers of articulate Chinese south of the Wall and abroad will not permanently reconcile themselves to it. September 18, 1931 for many years to come will be commermoated by increasing numbers of Chinese as a "humiliation" which must be avenged. And many Chinese south of the Wall and abroad will continue to regard financing "bandit" activities in Manchuria a patriotic act. This can hardly provide an atmosphere conducive to cordial Sino-Japanese relations for the future. Even now, the tension—although apparently lessening—is sufficiently high that any "incident," genuine or manufactured, may set off another conflagration in the Far East.

Whether Japan's Manchurian venture is one from which it will ultimately profit or one from which it will never fully recover, yet remains to be determined. And what the final repercussions on China and the rest of the world will be, likewise remains to be determined.

"Oriental Affairs" Is Allegedly British Owned

A curious development is reported by *Kuo Min* in connection with the recent banning of the *Oriental Affairs* magazine, regarding which inquiries from the British diplomatic authorities have been made to the Ministry of Foreign Affairs. It has now been definitely ascertained that *Oriental Affairs* is and has always been owned by an American Company. And, in the circumstances, it is pointed out that British diplomatic "intervention" on behalf of what an M.P. was apparently misled into describing in the House of Commons as a "British magazine" (*vide* Hansard report in *North China Daily News*) is hardly in order, even though the editor be a British subject. Whether the American diplomatic authorities (and fiery Washington congressmen) will now be invoked to step into the breach and take the place of their British confreres, remains to be seen, *Kuo Min* commented.

As a result of the circulation of the foregoing report through the official *Kuomin* service, T. O. Thackrey, president of the Post-Mercury Company, issued a statement denying that *Oriental Affairs* was an American journal or had any connection with Americans. Mr. Thackrey said that H.G.W. Woodhead, a British subject, was the sole editor and proprietor. The subject is referred to in an editorial in this week's issue of *The Review*.

Kuo Min Aug. 21 stated that it had been informed by T. O. Thackrey, President of the "Post Mercury Company, Fed. Inc., U.S.A.," that the magazine in question "is definitely not American owned." *Kuo Min* said it was glad to give publicity to Mr. Thackrey's explicit denial.

Chung Tien-hsin has written to *The Review* (and other publications) protesting against the action of *Oriental Affairs* in printing a translation of an article written by him, but in such a way as to make it appear that the article was specially written by him for said journal, whereas the translation was only a partial one. In a letter to the editor of *Oriental Affairs*, which was refused publication, Mr. Chung said: "I find that the summary of what you are so kind as to call my 'excellent study' of the Kuo-Min Tang stresses only the critical things I said about the Party, and entirely ignores everything written in appreciation of work which has been actually done and is contemplated, I must protest very strongly and publicly against what is a very serious perversion of my original essay. Moreover, I resent very strongly the fact that use has been made of my name without my previous approval being obtained, and especially do object to find myself given publicity in a periodical in which I do not wish my name to appear, either as a contributor or as the original author of an inaccurately translated article."

Chinese Post Office Business Declines

A decrease in the total number of articles handled by the Chinese Post Office from July 1, 1932 to June 30, 1933 is revealed in the report of the Post Office for the 21st fiscal year issued last week. The decline is blamed on the seizure of the Three Eastern Provinces by Japan. The decline totalled 98 million articles over the total number for the previous fiscal year and since Manchuria alone accounted for 78 million articles annually before severance from China, loss of the provinces is said to account for the 98 million loss and more, considering that the 78 million articles normally resulted in an almost equal interchange from China Proper cut off by the Japanese aggression. A large deficit was reported. Revenue receipts decreased by over one and half million dollars.

More Than 10,000 Japanese Killed and Wounded in Sino-Japanese Troubles

More than 10,000 army officers, non-commissioned officers, and men have lost their lives or have been wounded in connection with the Sino-Japanese troubles, during the period from the outbreak of the Manchurian incident to the end of July this year, according to an investigation conducted by the Japanese War Office. Those killed or wounded in the Manchurian incident totaled 7,800 and those in the Shanghai incident 2,425. In connection with the Manchurian incident 2,002 soldiers were killed, 261 died from wounds, and 5,537 were wounded. As a result of the Shanghai incident 526 soldiers were killed, 117 died from wounds, and 1,782 were wounded.

Some Details of Exports from China to United States

Statistics published by the U. S. Consulate General in Shanghai covering shipments from the whole of China to the U. S. for the first half of 1934 show the following outstanding features (in U. S. dollars):—Sausing casings, $602,447; raw goat skins, $2,133,045; undressed sheep and goat skin furs, $2,879,225; weasel skins, $1,683,609; bristles, $1,486,821; wood oil, $2,407,439; sisal, ramie and buntal fibre, $572,834; linen embroideries, $871,719; carpet wool, $2,660,035.

Drought and Flood Cause Huge Losses in China

According to investigations made by the Government the total loss to the country this year as a result of the drought and floods totalled $1,000,000,000 and nearly two-thirds of the country is affected. It is said that 343 districts in 14 provinces are affected by drought while 120 districts in 13 provinces are affected by flood.

Huahsien, a city in western Honan on the banks of the Yellow River, was flooded as a result of the overflow of the Yellow River. Altogether 60 villages and towns were inundated.

President Wang Ching-wei, in a recent telegram to Li I-chih, Chairmen of the Yellow River Conservancy Board, instructed him to adopt emergency measures for coping with the flood situation in southern Hopei, in cooperation with the Hopei Provincial Government.

The Shansi Provincial Department of Civil Affairs is in receipt of a telegram from the District Government of Hsiahsien, in southern Shansi, stating that as a result of the sudden rise of the Paisha Ho (River), the entire city is under water. Great damage has been done to livestock and property.

The flood waters of the Yellow River, demolished a portion of the dykes in Changyuan, Aug. 15. The Hopei Provincial Government has instructed the Provincial river Engineering Rehabilitation Bureau and the Magistrate to redouble their efforts to avert a catastrophe.

The flood situation at Changyuan, southern Hopei, has become less serious, with the completion of repairs to two damaged dykes, according to a report from the District Magistrate of Kuancheng Hsien, western Shantung.

General Han Fu-chu, Chairman of the Shantung Provincial Government, proceeded to western Shantung during the week to inspect the work of flood prevention.

Starving Farmers Riot in Chekiang

The protracted and wide-spread drought has brought in its wake a succession of tragedies in Chekiang province. Starving mobs are ransacking rice stores and parents are exchanging children for food. The situation has been further aggravated by the superstitions of the farmers. At Kiangshan in southern Chekiang, because the Kuomintang office there refuse to believe in dragon gods, the farmers raided the party office and destroyed the place completely. At Chungteh, the farmers rounded up the magistrate and compelled him to bow before the dragon god and threatened to kill the magistrate if he refused to do so. This compelled the magistrate to order his bodyguards to open fire into the crowd, resulting in one farmer being killed and several being wounded. Besides the frequent suicides and rice raids and riots in the affected districts, Hsu I-hung, the venerable 60-year-old principal of the Tou Men Primary School in Yuyao, northeastern Chekiang, was killed by infuriated farmers Aug. 15 owing to his refusal to countenance the public prayers for rain. The Chekiang Provincial Government is taking additional measures to pump water from the West Lake for the irrigation of the parched fields.

In view of the drought situation in Hunan, the Hunan Prvincial Government, in a circular order to the various local authorities, instructed that a ban be placed immediately on the exportation of rice from Hunan.

At a meeting of the Hupeh Provincial Government Aug. 14 it was decided that it would be impossible to relieve the present food shortage unless foreign rice is imported. As a result of detailed discussions it was decided that 1,000,000 piculs of foreign rice be imported as possible, the fund required for the purchase to be borrowed from leading Chinese banks at Hankow.

Definite measures for the purchase of rice from neighboring provinces for the relief of the people were adopted Aug. 17, at a meeting of representatives of the provision merchants in Hankow and Wuchang. The meeting was held under the auspices of the Hupeh Provincial Government. Li Shu-cheng, member of the Provincial Government, will be despatched to consult General Ho Chien. Transportation will be in the charge of the Provincial Department of Reconstruction.

In a letter to General Ho Chien, Chairman of Hunan province, Dr. K. C. Wu, Mayor of Hankow, Aug. 18 requested that the exorbitant rice export tax imposed by Hunan authorities be abolished. Dr. Wu pointed out the gravity of the situation caused by the acute food shortage in the Wuhan area due to drought and that Hunan is the only source of supply for rice easily available for Hankow rice dealers.

In consequence of the prolonged drought, summer diseases are raging in Hsuchow city, northwestern Kiangsu. The local public bodies have jointly organized an Anti-Cholera Association. Large numbers of doctors are sent out daily for the purpose of inoculating the people against infection.

Six Hundred Die as Result of Flood at Antung

Unprecedented and torrential rains which caused the Yalu River to overflow its banks and transformed streets into raging torrents which swept away people, animals and houses, brought death and destruction to Antung over the week-end. Six hundred of the inhabitants are reported to be dead or missing, while 60,000 are homeless and without food or water. All communications with the stricken city broke down and not until Aug. 20 was it possible to effect repairs.

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British Funds for Long Distance Telephones

The Ministry of Communications is negotiating with the British Boxer Indemnity Refund Commission for a loan of £400,000 to finance the installation of long-distance telephones in the nine provinces of Kiangsu, Chekiang, Shantung, Hopei, Honan, Hupeh, Kiangsi, Fukien and Anhwei. The loan will be devoted to the purchase of telephone sets and other essential accessories from England and the installation is expected to be completed within two years.

The flotation of a $20 million Provincial Loan was approved by the Chekiang Provincial Government at its meeting Aug. 15. Part of the proceeds will be employed for meeting the existing obligations of the Provincial Government, and the rest for relief in various drought districts.

The Chekiang Provincial Government has found it impossible to carry on financially and the Director of the Finance Department has already expressed his intention to resign.

Peiping Has Huge Deficit

A report on the financial situation of the Peiping Municipal Government was made by Chen Yuan-fan, Municipal Commissioner of Finance, at the joint weekly memorial service of the Municipal Government and the City Party Headquarters Aug. 12. Mr. Chen stated that owing to the military operations, a huge deficit was incurred by the Municipal Government last year. Since September last, however, the situation has gradually improved. Up to June last, the total income of the Municipal Government was $5,200,000, but the total expenditure exceeded this by $900,000. However as a sum of $260,000 was disbursed for the redemption of old loans, no deficit has actually been incurred.

Constuction of Swatow Railway to Start Next Year

The construction of a a new railway line, linking up Canton with Swatow in the East and with Hoyuan in Kwangsi on the west, is contemplated by the Kwangtung provincial authorities. A survey of the Canton-Swatow section of the proposed railway is being made and is expected to be completed by the end of the year. The line to Swatow will be 280 miles long. A part of the required funds will be appropriated by the Provincial Department of Reconstruction and the balance be raised by public subscription.

Plans for the operation of trolley cars on Nanking streets are making rapid headway. The routes have been marked and according to recommendations by the Nanking Municipal Government, four stations will first be established with Hsinkaikow as the main station.

To meet the demands of increasing traffic, the Lung-Hai Railway Administration has submitted a plan to the Ministry of Railways for enlarging the Kaifeng station and its warehouses.

For the completion of the Tatung-Puchow Light Railway and for the institution of industrial enterprises, the Shansi Economic Reconstruction Committee has decided to float a Reconstruction Loan of $2,600,000 and to issue a second Industrial Loan of $1,400,000, both in the form of Treasury Notes.

Sianfu-Hangchung Highway Will Greatly Facilitate Northwest Trade

The *Central China Daily News* comments: "We understand that the Shansi and Kansu Provincial Governments have already started the construction of a highway between Sianfu and Lanchow while preparations are being made for the construction of three main trunk lines, one between Hanchung and Sianfu in Shensi, another between Paotouchen in Suiyuan and Hsining in Ninghsia and a third between Sianfu and Szechuen. In our opinion the Sianfu-Szechuen and Sianfu-Hanchung Highways are most important in the development of the North-west and their construction should be started as soon as possible. We understand another highway between Szechuen and Kansu is to be built shortly. At a casual glance this highway might not be very important, but upon closer study this contemplated highway also has much to do with the future prosperity of the North-west. With the completion of the Sianfu-Hanchung highway, products in the North-west can easily be sent to Hupeh and Szechuen from Shensi and can then easily be sent down the Yangtse River. It is true that these products can be sent to the coast by the Lung-Hai Railway, but it will take much more time than by the water route. The Shensi-Szechuen highway enables these provinces to exchange products. For instance, Szechuen wants cotton and has to import it from from foreign countries or from Shanghai and Hankow. But Shensi every year has a surplus cotton production, which cannot be sent to Szechuen on account of lack of communications. On the other hand Shensi lacks salt, sugar and rice, of which Szechuen produces plenty. So with a highway in operation Szechuen could easily send over what Shensi wants from Szechuen and take back what she desires from Shensi."

Chekiang Province Encourages Silk Production

Despite the drought, the raising of silkworms is being actively encouraged by the Chekiang Provincial Government. It is estimated that the cocoons from Hangchow and other districts in Chekiang this autumn will aggregate 15,000 piculs, valued at three million dollars.

A total of 540,000 sheets of silkworm eggs have been distributed to the farmers this year by the Chekiang Provincial Department of Reconstruction, from which 100,000 piculs of cocoons are expected to be collected.

The Ministry of Finance, in a ministerial order to the Maritime Customs at Shanghai Aug. 15 strictly forbade the importation of foreign silver coins into the port. The order particularly specified the Mexican Eagle Dollars, the Man-Insignia Dollars and certain categories of Japanese Dollars as coming under the ban.

The Kiangsi Provincial Government is in receipt of a message from the District Government of Iyang, northeastern Kiangsi, stating that rich deposits of copper ore have been discovered along the southern part of the district by engineers of the Chekiang-Kiangsi Railway.

The Ministry of Industry has decided to establish the contemplated paper factory as soon as possible and preparations in this connection are in full swing. The factory will be established at Wenchow in Chekiang.

The petition of Dr. H. H. Kung, Minister of Finance recommending the revision of Articles 5, 7, 8 and 15 of the new Savings Bank Law was approved by the Executive Yuan Aug 11. The proposed revisions are to be forwarded to the Legislative Yuan for consideration.

In order to relieve the economic distress of the rural disteicts in northern Kiangsu, the Kiangsu Provincial Government has decided to establish a branch bank of the Kiangsu Provincial Farmers' Bank at Chinkangpu, one of the largest cities on the Grand Canal.

The Kiangsu Provincial Government has decided to float a new $30,000,000 provincial loan to meet all old obligations and the urgent expenses of the province.

China Merchants' New Steamers to Arrive in October

Two of the four coastal liners built by the China Merchants Steam Navigation Company in England are expected to arrive in Shanghai by the middle of October.

Construction work on the hospital in Sanyuan district, Shensi, established by the National Economic Council, has been started.

Peking-Hankow Railway Loan Is Arranged

Chinese banking interests during the week completed the final arrangements for a loan of $30,000,000 for the Peking-Hankow Railway. The main purpose of the loan, according to the major stipulations of the agreement, is to finance the repair of the Yellow River Bridge of the line which for some considerable time now has been seriously in need of attention and, during the recent floods, shown signs of being dangerously impaired.

Construction work on the Nanchang-Liangchiatu section of the Chekiang-Kiangsi Railway has been started. This section will be completed in five months.

Construction of the road-bed and culverts of the Weinan-Sian section of the Tungkwan-Sian extension of the Lung-Hai Railway has been completed. Tracks will be laid as soon as the materials arrive.

Seventeen former military officers under General Ma Chan-shan, hero of the Nonni River battle in Heilungkiang, have organized an investigation commission to take an extensive tour in the northwestern provinces to investigate industrial possibility in that region. The commission will set out from Tientsin on August 25.

Exorbitant Taxation in Szechuen

According to a recent arrival from Szechuen, the military leaders in that province are imposing exorbitant taxes on the people. The people living in the area controlled by General Li Chia-yu in northern Szechuen are suffering the worst and they are called upon to pay taxes for the 61st year of the Chinese Republic.

T. V. Soong in a recent interview gave details of the dredging of Siao Tsiag Ho. This river is being dredged so as to allow 600-ton vessels to ply in the lower part of the river and 200-ton steamers to reach Tsinan, capital of Shantung, from the sea coast. The project is being carried out by the Shantung provincial authorities under the guidance of Gen. Han Fu-chu, Chairman of the Province.

Liu Shou-chung, member of the Central Executive Committee, who has been despatched by the Central authorities to investigate industrial conditions in the North-west, has decided to proceed to Ninghsia and the Ordos (Yeghe Jo) League in Suiyuan province. His petition for the remittance of an additional sum of $10,000 as travelling expenses has been sanctioned by the National Government.

Chen Ti-cheng, Director of the Department of Highwavs of the National Economic Council and concurrently Commissioner of Reconstruction of the Fukien Provincial Government, proceeded to Nanking from Shanghai during the week and reported to T. V. Soong, on highway construction in Fukien province. Mr. Chen later saw. President Wang Ching-wei and made a similar report. Mr. Chen is planning to make a tour of inspection of the highways in the various provinces sometime next month.

Japanese Oppose Tatung-Tungkwan Railway

The South Manchuria Railway and the Japanese Mitsubishi Company have raised objection to the construction of the Tatung-Tungkwan Railway in Shansi by French interests. The first batch of railway supplies sent by the French firm in accordance with the stipulations of the contract arrived recently in Tientsin. The South Manchuria Railway, is demanding a major share, with the French interests, for the construction of the projected railway in Shansi Province. Unless allowed a major share in the investment, the S. M. R. is opposed to China's securing a loan from the French on the pretext that investment by a third party for the construction of the Tatung-Tungkwan Railway would be prejudicial to the special privileges which, the S. M. R. claims, Japan has obtained for the construction of a railway between Shihchiachwang and Tsangchow.

Chinese Students Oppose British Loan to Develop Szechuen Mines

According to information from local banking circles, the Szechuen Provincial Government recently sent Yang Chan-shan, managing director of the Chu-Hsin Bank in Shanghai as its representative to England to negotiate with a syndicate of British banking interests for a loan of $30,000,000 for the purpose of developing mining industries in Szechuen. The proposed loan is reported to be secured on concessions to explore all the mines in Szechuen and this report has aroused the most vehement opposition from the Chinese students in England. The so-called anti-imperialists association organized by British returned students in Nanking issued a lengthy manifesto charging General Liu with having sold the mines in Szechuen to British "imperialists" in obtaining the $50,000,000 loan.

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Vickers Official Comments on China's Default

Following the recent announcement that contracts had been placed by the Chinese Government with certain leading firms in England for the supply of railway material and equipment to the value of over £250,000, Sir Maurice Jenks, Chairman of the Marconi Vickers Joint Committee, wrote to the *London Times*, saying that as he had some experience of Chinese methods, and his mental comment was, "I wonder what steps these firms are taking to ensure payment." After reviewing recent negotiations, Sir Maurice said: "It is very mortifying to read that a portion of the Boxer indemnity, the disposition of which is in the hands of his Majesty's Government, is being used to form the security for fresh loans to China, regardless of existing defaults. Everybody realizes that British creditors of a foreign country like China, or indeed, any foreign country, are at a great disadvanage in enforcing payment of moneys due to them; but from time to time the British Government is in a position to use a lever to secure satisfaction for the unpaid claims of her nationals, and in the case of China two such opportunities have presented themselves during the last few years—one is the disposition of the Boxer indemnity, to which I have already referred, and the other is the raising of the tariff restrictions; in other words, the granting of tariff autonomy to China; but no advantage has accrued from either of these concessions."

Herr Hitler Is Confirmed as President of Germany

The elections in Germany Aug. 20 resulted in 38,362,769 votes cast in favor of Adolph Hitler continuing as President and Chancellor of the German nation. There were 4,294,654 Germans who voted "No," twice as many as opposed Hitler at the November elections.

Germans in Shanghai did not vote. They would not have been qualified unless they chartered a German vessel which would have to be at sea at least three miles off the coast before voting would be legal. A Hitler support meeting was held at the German School in Shanghai Aug. 20. Lieut.-Col. Hermann Kriebel, German Consul General, and other leaders of the German group made addresses. The German colony in Shanghai numbers about 1500.

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Germans Angered by "North China Star" Straw Vote

The *North China Star* has aroused the ire of various German organizations in North China, including the Legation, by conducting a straw vote expressing approval or disapproval of Hitler's action in combining the functions of the Presidency and the Chancellorship. The questionnaires were sent to about 600 Germans. Dr. Charles J. Fox, the editor, said the poll had been called for, as previous ones had been, as a matter of public interest, and without any ulterior motive.

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American Labor Moves to Expel Communists

William Green, President of the American Federation o Labor, has announced the opening of a campaign to expel communists from the ranks of organized labor in the United States. Letters purporting to show that James "Jimmy" Gagney, noted "tough guy" of the silver screen, is providing moral and financial support to the Communist Party were made public in Sacramento, August 18.

Ten thousand employees of the American Aluminum Company (owned by the Mellon family, and having a complete monopoly of the aluminum industry) are on strike. Recognition of the union is the main point at issue. If the United States government insists upon their recognition of collective bargaining in the steel and tin industry and forces them to disband unions controlled by the companies themselves, all American metallurgical industrialists are ready to denounce the National Recovery Administration's steel code, a recent Washington dispatch stated. A general strike is threatened of 800,000 textile workers.

President Roosevelt will personally enter into the current negotiations for a settlement of the debt question between the United States and the Soviet Union, it was revealed in Washington August 16. Business men and financiers all over the United States are awaiting the outcome of the negotiations with acute interest, owing to the necessity of an agreement before the Russian market can be opened to them because Russia is classed as a Johnson Bill defaulter.

The extended use of oil power will eliminate the world's oil surplus and the Diesel engine will be an economic and indepen-dent unit of the future, was the prediction made by Sir Henri Deterding, director of the Royal Dutch Petroleum Co., when he arrived in New York Aug. 17. He said electrification of railways was already a thing of the past.

After 19 years of American occupation, the last U.S. marines were withdrawn August 15 and full sovereignty was restored to Haiti. The American flag was lowered and the withdrawal was carried out in a most friendly manner.

An attack on the government subsidies to the U.S. merchant marine was launched by Henry A. Wallace, Secretary of Agriculture August 18. The economic feasibility of continuing the expendi-ture of millions of dollars for ocean mail subsidies was flatly opposed by the Cabinet member in a letter to the Merchant Marine Committee of the House of Representatives. Shipping representative in Washington fear that Mr. Wallace's attack is only the forerunner of other direct attacks upon the present subsidy policy by Administration leaders.

The death occurred in St. Louis August 19 of Henry T. Rainey, speaker of the House.

Ninety per cent of Americans want to avoid Communist or Fascist dictatorship, declared Henry Wallace, Secretary of Agriculture speaking before a meeting of farmers August 20 in Rockford, Illinois.

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U.S. Navy Calls for Tenders for 24 Warships

Tenders for the construction of four cruisers, fourteen des-troyers and six submarines were called for by the U.S. Navy Aug. 4. The cruisers, authorized by Congress in 1929, are to be built from regular naval appropriations for the 1935 fiscal year. The submarines and destroyers will be the first vessels constructed under legislation to bring the U. S. navy up to treaty strength by 1942. The Public Works Administration will finance the construction of the cruisers and destroyers. It will give the Navy $40,700,000 for construction of the vessels, improve-ment of the naval aircraft factory at Philadelphia and for building airplanes. One of the cruisers will be of the eight-inch gun type. Under the London Naval Treaty, its keel may not be laid down until January 1 next year. The other three will carry six-inch guns. All will have a maximum displacement of 10,000 tons.

Heavy Shipments of Silver from Shanghai, Mostly to London

One of the results of America's action on measures to help silver has been a succession of huge shipments of the white metal from Shanghai, mostly to England. The P. O. ss. *Ranpura* sailed out of Shanghai Aug. 21 with the largest silver shipment that ever left the port. Unusual activity has marked the financial district, where the transport of silver in boxes either on carts, barrows or trucks is a frequent sight.

Approximately $60,000,000 worth of silver has been shipped to England and America by the foreign banks during the last three months, according to an estimate made by the *Shun Pao*, Chinese daily in Shanghai. Of the amount, seven-tenths were exported to England, while the remaining three-tenths went to America. During the early part of this week about $20,000,000 was shipped.

Silver exported from China since January 1 up to the present time amounts to $90,000,000, of which $40,000,000 was export-ed during the past two months. Further shipments scheduled before the end of this month amount to $30,000,000, thus bringing the total by September 1 to about $120,000,000, chiefly to London. This export amounts to about one-fifth of the available stocks in Shanghai—which amount to approximately, $600,000,000.

The Ministry of Finance has issued regulations prohibiting the melting of silver coins. Violators will be sentenced to terms of imprisonment ranging from one to seven years and will also be fined.

The present indications are that China will protect its silver supply by some form of control. Jian H. Chen, manager of the Central Bank during the week stated that China would shortly establish a "Central Bureau of Foreign Trade and Silver," which would be the first step towards enforcing government control. The present export tax on silver is 2½ percent.

Dr. H. H. Kung, Minister of Finance, issued a statement August 19 formally denying rumors that the Chinese Government would declare a silver embargo in the near future. Dr. Kung called a conference at Kuling this week of experts to study the effect upon China of the nationalization of silver by the United States government. Among those who attended were Dr. Walter Young, adviser of the Ministry of Finance, and Tsuvee Pei, manager of Bank of China. A majority of local Chinese bankers favor the imposition of an export levy on silver as an effective measure to check the incessant exodus of silver. An absolute check on the exodus of silver, however, would be impossible in view of the large number of foreign banks—which exercise an overwhelming influence in the silver market over Chinese banks.

Tsou Lin, Vice-Minister of Finance, exchanged views with the leading Chinese bankers in Shanghai during the week in regard to the silver situation caused by the sudden exodus of silver to foreign countries. Mr. Tsou then proceeded to Kiangsi to report to Minister H. H. Kung on the results of his discussions with the Shanghai bankers and confer with him on measures how to cope with the situation.

Chen Hsin, Vice-President of the Bank of China also conferred with Dr. Kung regarding the silver situation. On his return to Shanghai Mr. Chen said that he had been given to understand that the Government has no intention to take any action against the recent outflow of specie from Shanghai, which the authorities believed was only accidental. For the time being the Government preferred to adopt a wait-and-see policy and the report that the Govern-ment would place an embargo or impose a special tax on silver export was entirely without foundation.

The London *Financial Times* comments that if China is driven off silver (by America's purchases of silver) on to what seems the only practicable alternative, although the one most unsuitable for China, namely, managed currency, the silver interests and western trade with the Orient will receive a severe blow.

Further comments by the *Financial Times* were: "It is indeed unlikely that the Chinese Government will take steps which would assist American plans for raising the world price of silver. If it were not checked by the Chinese authorities, the outflow of silver from China might satisfy American demand before Chinese stocks were exhausted, and enable China to acquire sufficient gold to adopt the gold standard, thus avoiding the disastrous effect on her trade because of the rise of silver. China thus has every reason to permit, and even stimulate the outflow of silver.

The possibility that the world might sell its gold to the United States at high prices and then repudiate the metal as the international monetary unit was pointed out in Chicago August 14 by Senator Elmer Thomas, Democrat, from Oklahoma. It was admitted by the Oklahoma legislator, however, that such an eventuality was unlikely.

Nanking to Issue Passes to Foreign Envoys

The Ministry of Foreign Affairs will issue certificates or passes to European and American diplomatic officials in China upon application by the foreign legations concerned, according to a new ruling reached by the Natioanl Government. Such certificates and passes, it is learned, will entitle their holders to privileges and pro-tection commensurate with the status of foreign diplomats. No certificates and passes granting special privileges are held by Chinese citizens, and foreign diplomatic officials in China have hitherto not been provided with certificates or passes except the credentials furnished by the foreign governments concerned.

It seems to be the opinion of the foreign ministry that as long as no uniform and adequate system is introduced to afford pro-tection to foreign diplomatis, their presence in the interior of China is liable to cause friction and misunderstanding between them and Chinese authorities. In January this year, for instance, Baron Guellaume, Belgian minister to China, got into trouble with Chinese gendarmes at the railway station in Paoting near Peiping. In the light of such incidents the Ministry of Foreign Affairs has designed two classes of passes, one to be used by foreign ministers and another by foreign consuls.

Hupeh Middle School Principals Hold Conference at Hankow

A conference of the principals of the various Hupeh Provincial Middle Schools was opened in Hankow Aug, 15 with 73 persons in attendance. Chen Chi-pao, Provincial Commissioner of Education, presided. At the opening ceremony General Chang Hsueh-liang, Vice-Commander-in-Chief of the Honan-Hupeh-Anhwei Bandit-suppression Forces, spoke on the extreme importance of getting rid of political dissensions among school teachers. General Chang Chun, Chairman of the Hupeh Provincial Government, also spoke.

A group of teachers from various Government Universities and Colleges in Peiping and Tientsin, who arrived in Nanking from the North Aug. 15, called at the Executive Yuan to petition for the payment of salaries in arrears.

The third annual conference of the Chinese Social Education Society opened in Kaifeng Aug. 17 with over 300 members in attendance.

Enrolment of students for the vocational classes of the North-West Agricultural and Afforestation College has been completed in Nanking and Sian. A special class will be reserved for students from the three provinces of Kansu, Ninghsia and Chinghai (Kokonor). Students wishing to enter this special class must register with the college authorities at Lanchow, provincial capital of Kansu.

Joint military training of 600 students from 12 schools was begun in Tientsin Aug. 9. The students will be divided into eight battalions and undergo training for two weeks.

Beginning from the next semester, all middle school and college students will be required to pay a fee towards the foundation fund for the National Education Films Association (under the Ministry of Education). A proposal to this effect has been submitted to the Ministry by the Shanghai Branch of the Association, and has been duly approved.

The Central University at Nanking will be removed from its present premises to new quarters in the suburban districts beyond the city wall. The National Government, in an order to the Executive Yuan, instructs that beginning from the present fiscal year, a monthly sum of $80,000 be appropriated to the authorities of the University as removal expenses.

The Ministry of Education, in an order to the Higher Education Department August 19 instructes that a Law governing the Conferment of Academic Degrees be drafted. As soon as the proposed Law is approved by the Legislative Yuan, joint graduation examinations for college and university students will be held under the supervision of the Ministry of Education.

In pursuance of a resolution adopted by the 4th Plenary Session of the C.E.C., the National Government has instructed the Executive Yuan to appropriate a monthly fund of $80,000 for the construction of new buildings for the National Central University in the suburbs of the Capital.

The Problem of Finding Jobs for Graduates

The Tientsin *Ta Kung Pao* comments:—"In the midst of political chaos and economic bankruptcy, the Chinese Government and society, having only a limited number of 'rice bowls' at disposal, and are unable to consume the yearly crop of hastily and heedlessly raised college graduates. Recently, it has been felt that the overproduction of art and legal students should be stopped. The Government, therefore, has seen fit to suppress their growth and to encourage science and technology. Such a policy is based on the fallacious belief that its enforcement may improve the present unemployment situation among college graduates. The Government ought to know that it is immensely more difficult to find jobs for science or technical graduates in China to-day. Would not the unemployment situation grow worse if their number should steadily increase? At present the pro science men have not yet realized the fallaciousness of their opinion. But when they do, they will find the situation worse."

Soviet Entry Into League Draws Nearer

A recent Geneva message stated that diplomatic conversations between the European capitals have cleared away the major political obstacles to the entry of Soviet Russia into the League of Nations. It is now apparently certain that Russia will be elected to membership in the League during the September session in view of the fact that many details which have delayed entry, such as appointments of Russians to League offices and the amount of the Soviet's annual contribution, have now been arranged. Soviet Russia, it is understood, will have a permanent seat on the League Council.

China formally will apply for re-election to a non-permanent seat on the Council of the League of Nations before the Assembly convenes in Geneva on September 10, a spokesman for the Wai-chiaopu declared in Nanking Aug 15. The Foreign Office spokesman also took advantage of the opportunity to deny flatly the reported plan to issue a new statement on China's international policy, which rumor had recently said would deal especially with Japan and Manchukuo.

交通大學研究所

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

CHILDREN'S SUMMER COLDS.

How To Avoid Them.

Some children seem always to be catching colds, no sooner have they got rid of one than another begins! In many cases this is the result of constipation, and you will find that the child who is regular is seldom troubled with colds.

Therefore, one of the surest ways to prevent colds, or to break one up if it has already begun, is by the use of a laxative medicine, of which for children, there is none better than Baby's Own Tablets.

These pleasant tasting tablets are the prescription of a doctor who specialised in children's ailments; they are absolutely harmless, non-griping, and act in a gentle way, keeping the little ones' digestive tract and stomach in a clean healthy condition.

A dose or two of Baby's Own Tablets is generally all that is required to dispel a cold.

For children troubled with any form of stomach disorder, constipation, indigestion, 'wind,' colic, Baby's Own Tablets are the very thing, they quickly allay feverishness, soothe teething pains, expel worms.

Obtainable at all chemists, no household where there are children should be without the splendid children's health safeguard, Baby's Own Tablets.

CONSTIPATION SUFFERERS

Heed This Warning.

Constipation is dangerous, and in the summer months more than ordinary care should be taken to keep intestinal activity regular for dysentery, typhoid and similar illnesses are then most prevalent.

An occasional dose of Pinkettes ensures regularity of the daily habit. These tiny laxative pilules act in a mild way and at the same time provide a perfect cleansing for the intestines, keeping the stomach and bowels free from any accumulation of waste matter which is one of the main causes of ill-health. Pinkettes are a perfectly safe vegetable laxative. They are invaluable in cases of constipation, liverishness, biliousness, indigestion, sick headache, and help to remove pimples, boils and other affections of the skin. Call at a chemist's to-day and get some Pinkettes. No household should be without this ideal laxative.

Shanghai-Canton Air Service to Be Resumed in October

It is learned from the authorities of the China National Aviation Company that the Shanghai-Canton direct air service will probably be resumed in October as the two new passenger planes ordered by the Company from the United States will arrive in Shanghai early next month.

For the purpose of developing aviation in the North-west and of facilitating communications between Chahar and Mongolia the authorities of the Ministry of Communications are planning to establish an air line between Kalgan and Urga in Outer Mongolia. The Ministry has already taken up the matter with General Fu Tso-yi and Sung Cheh-yua, Chairmen of Suiyuan and Chahar respectively, and measures are being drawn up for the realization of the scheme.

The new Szechuen-Kweichow-Yunnan air line is expected to be inaugurated before next January and a new passenger plane for the proposed line has alreedy been ordered from the United States.

The air service between Canton, Chiungchow and Nanning was formally inaugurated August 21.

Katsutaro Ano, a civil aviator, announced Aug. 15 that he would attempt a flight from Berlin to Tokyo next March. Using a Junker plane, he intends to fly 23,000 kilometres, via Vienna, Venice, Athens, Baghdad, Karachi, Delhi, Calcutta, Singapore and Taikoku. Mr. Ano has already sailed from Japan enroute to Germany.

With completion of an international airport at Nagoya by the end of September, all passenger planes of the Nippon Air Transportation Company will stop there from October 1.

Lieutenan Kuroiwa, of the Tachiarai Flying Regiment, was killed Aug. 18 when his fighting plane crashed in Ohmura Bay. Motor failure was said to have been the cause of the accident. The wrecked plane sank with the body of the pilot.

Four scouting planes of the Fifth Tachikawa Aviation Squadron flew from Tachikawa, near Tokyo, to Asahigawa, Hokkaido Island, in six hours and ten minutes Aug, 17, breaking all existing speed records.

A round-the Japanese mainland flight was successfully carried out Aug. 14 by fliers employed by the *Osaka Mainichi*.

Japanese Budget Calls for Huge Aviation Expansion

The sum of Yen 147,000 has been written into the budget of the Japanese Communications Ministry for the next fiscal year for preparations in the proposed establishment of air mail service between Tokyo and Pelew, also known as Parao, in the Japanese mandated South Seas territory. The budget provides Yen 12,067,000 for mail subsidies, including Yen 3,540,000 for the San Francisco service, Yen 1,674,000 for the Seattle service for the east coast of South America service, and Yen 724,000 for the west coast of South.

Of the Japanese navy's proposed expenditures, almost Yen 300,000,000 will be spent in increasing the number of aircraft and establishing new bases, as well as in commissioning several vessels which are nearing completion under the second replenishment program. Several new vessels will also be built. The Army, according to General Hayashi, intends to allot Yen 200,000,000 to an increasing of the nation's air defences. Mr. Tokonami, minister of communications, will press his ministry's demands for a vast increase in its appropriations so as to bring to realization a network of airlines that would link various parts of the Empire. Among his projects are the Tokyo-Nagaoka line, the Osaka, Toyama, Nagano line; the Osaka-Tokushima-Kochi line; the Osaka-Tottoro-matsue line in the Honshu, the main island, as well as two others extending north and south linking Honshu with Saghalien and Formosa. Communications ministry experts are also studying plans whereby the Tokyo-Formosa line could be extended to Manila and from there to Singapore where it would connect with the British Imperial Airways network.

A five-year naval air program is being submitted to the investigating board headed by Clark Howell, by Carl Vinson, chairman of the Naval Affairs Committee of the House of Representatives, the Georgia Congressman announced Aug 14. Mr. Vinson said that his program would seek the immediate construction of a government aircraft factory at Philadelphia. Expansion of the naval flying station at Pensacola, Fla., training base for the navy, also is contemplated in the scheme.

A squadron of ten U. S. army bombing planes arrived in Seattle August 18 on their return from Juneau, Alaska.

The U. S. War Department has perfected plans, which will be submitted to the next session of Congress for approval, for a system of anti-aircraft defences consisting of anti-aircraft guns and searchlights under a very efficient method of fire control. The scheme, it is estimated, will cost $33,000,000. Studies conducted by experts have indicated that the Unites' States' air defences are inadequate. The Secretary for war, G. H. Dern, following a recent tour of inspection, is convinced that the Panama Canal Zone defences are also insufficient.

The United States Postal Department is now engaged in organizing an airmail service to Alaska which is to be inaugurated in a year's time, Postmaster James A. Farley announced in Washington Aug. 12. A similar service between the United States and Europe and between the U. S. and the Hawaiian Islands may be made possible within three years, he added.

Since a California-Hawaii airline is the logical first link for the anticipated eventual airplane service between America and China, special interest attaches to a declaration in Honululu by Stanley C. Kennedy, president and general manager of the Inter-Island Airways, that air travel between California and the Islands will be "a regular thing within the next two or three years." Mr. Kennedy made this statement upon returning to Honolulu after a business trin to Washington, during the course of which he inspected the latest in flying equipment and discussed plans for planes to be used on long Pacific jumps.

Mlle Lucie Byazkowski, a Polish airwoman, was killed Aug. 17 and her pilot injured when a plane in which the two were flying crashed to the ground.

In the House of Commons July 30, Philip Sassoon, Under-Secretary of State for Air, stated that the establishment of a branch from the England-Australia air line to Hongkong and Shanghai was being considered. The negotiations, he added, had not advanced sufficiently for him to make a statement at the present time.

Owing to the hight cost of participation in the centenary air race from London to Melbourne, which starts on October 20, it seems probable that only a few Americans will compete. Clyde Pangborn and Roscoe Turner, two of America's noted speed aces, have definitely cancelled their entries.

The first trial flight over London of the new Scotland Yard autogyro took place Aug. 15. to test the value of observations which can be made from such machine for traffic control and other police work.

Franco-British negotiations concerning the continuation to Marseilles of the British London-Paris air line have come to a standstill. The Italian Government having already authorized British airplanes to fly from Naples to Brindisi, the only missing link of the overland chain is the Paris-Marseilles route.

Professor Max Cosyns, the Belgian aeronaut who, with his assistant, M. Vandereist, landed at the village of Zenavlje near Belgrade following a successful flight in their stratosphere balloon, declared Aug. 19 that, as the result of his observation of certain elements and movements of cosmic rays, he had reached conclusions of great scientific importance. He attained a height of 16,000 meters.

China National Aviation Corp. Has Grown Rapidly

Dai En-ki, vice-president of the China National Aviation Corporation in a recent issue of the *China Press* gave a review of the progress of aviation in China and also of the C.N.A.C. itself. The National Government organized the China National Aviation Corporation on July 8, 1929 through the recommendation of the then Minister of Railways, Sun Fo. On October 29, 1929 the first Loening Amphibian took off from Lunghwa Airport (Shanghai); and the air route to Hankow, a distance of 516 miles, was opened, this line covering Shanghai, Nanking, Anking, Kiukiang and Hankow, thus uniting the principal commercial ports along the lower Yangtse River. On April 1, 1931 the Shanghai-Hankow Line was extended to Ichang aud on October 21, of the same year the line was further extended to Chungking, thus covering almost the entire length of the Yangtsze River. At the commencement of 1933 efforts were made to complete operations on the three main air routes in China. The Shanghai-Peiping Line, via Haichow, Tsingtao and Tientsin, was inaugurated on January 10. The Shanghai-Canton Line was inaugurated on October 24, and the Chungking-Chengtu Line on November 11 of the same year. At present C.N.A.C. operated three routes, the Yangtsze River Route from Shanghai to Chengtu, the northern route from Shanghai to Peiping, and the southern route from Shanghai to Canton, covering a total distance of 3,050 miles.

Finance Ministry Takes Steps to Prevent Smuggling Along Coast

To prevent smuggling, the Ministry of Finance has decided to re-demarcate China's coast as from the current fiscal year (July 1, 1934-June 30, 1935) into four principal and seven subordinate anti-smuggling areas.

The four principal anti-smuggling areas are:

1. From Shanhaikwan to Haichow, with Chefoo as the base of operations of the Customs cruisers.

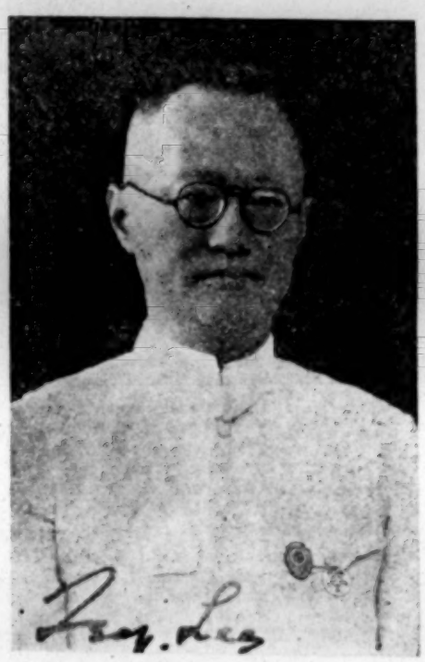
2. From Tsingtao to Sanmenwan, including the Yangtsze River, with Shanghai as the base.

3. From the Chusan archipelago to Chelangchio, with Amoy as base.

4. From Shihpaishan up to the coast of Annam, with Kowloon as base.

Who's Who in China

Lee Tso-yu, jurist and Government official; native of Changchow, Kiangsu but born at Hangchow, Chekiang, 1884; graduated from the department of political science and economics of Waseda University, Japan; upon returning to China in 1908, he became an instructor at the Law School of Hupeh; secretary in the Civil Affairs Department of Chekiang 1911; presiding judge of the Peking High Court 1912; judge of the Supreme Court 1914; in recognition of his meritorious services he was promoted presiding judge of the Supreme Court and concurrently member of the Disciplinary Commission of Judicial Officials and instructor of law at the Law Institute in Peking, 1918; went to England, Germany, and other European countries to study judicial administration and investigate economic and financial conditions 1921; upon returning to China he resigned all governmental positions and become an attorney-at-law Shanghai 1922, when he initiated a movement for the rendition of the Shanghai Mixed Court; Chairman of the Shanghai Bar Association and member of the Standing Committee of the Chinese Ratepayers Association at Shanghai; appointed member of the Fukien Provincial Government and concurrently Commissioner of Civil Affairs of Fukien 1934, which post he still holds; author of "A Study on Finance" and "General Principles of Obligations in Civil Law;" address: Civil Affairs Department, Fukien Provincial Government Foochow.



李祖虞字夢驎

Lee Tso-yu (Li Tsu-yu)

李祖虞，字夢驎，藉江蘇武進，生於杭州，年五十，弱冠卽留學日本，在早稻田大學政治經濟科畢業，前清光緒三十四年回國，曾任湖北法政學堂教習，辛亥光復，任浙江民政司秘書，民國元年，任京師高等審判廳庭長，二年，轉任大理院推事，七年升任庭長兼司法官懲戒委員會委員，及司法講習所教員等職，十年夏，赴英，德等國，考察司法兼調查經濟財政，十一年冬回國，旋卽辭職，南來，在滬執行律師職務，提倡收回上海會審公廨，後任上海律師公會主席委員，納稅華人會常務委員等職。現任福建省政府委員，兼民政廳廳長，君法學深邃，兼長財政經濟諸學，曾著財政學，民法債權總則等書，通訊處，福州福建民政廳。

Peiping Loan Office Shows Excellent Result

The Tientsin *Ta Kung Pao* comments:—"Inaugurated in April this year, the Peiping Small Credit Loan Office has already extended credit to more than 2,000 people, tantamount to saving as many homes from starvation. The Loan Office charges its debtors interest for loans though at comparatively low rates. The borrowers' profound gratitude and hard endeavor are beyond description, for a few dollars loan at low interest is as dear to them as a 'Life-saving Amulet.' According to investigations made by the Loan Office, the borrowers have very satisfactory results. They are able not only to pay their debts on time but to lay the financial foundation for their own livelihood. In a few months there have been in Peiping more than 2,000 homes saved from misery and placed on the road towards a new life, though the total loans amount to only $30,000. That humble sum has not been wasted but has returned to the Loan Office with interest. Could there be an easier way to relieve the people or a simpler good that the Government can do?"

In the United States Court for China

In re.	Cause No. 3716
Last Will & Testament of MABEL SHENGLE Deceased	Special Proceedings No. 987 NOTICE Filed July 26, 1934. William T. Collins, Clerk. by L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Mabel Shengle, deceased, to present the same with vouchers to the undersigned on or before February 4th, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

GORDON C. NAZER,
c/o Union Insurance Co. of Canton,
26 The Bund.

Shanghai, China,
July 26, 1934.

In the United States Court for China

In re. Estate of ELMER FLOYD COULSTON Deceased	Cause No. 3719 Special Proceedings No. 988 NOTICE Filed at Shanghai, August 2, 1934. William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ELMER FLOYD COULSTON, deceased, to present the same with vouchers to the undersigned on or before February 11th, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

LEATHA COULSTON,
Administratrix,
c/o The Shanghai Sanitarium,
150 Rubicom Road,
Shanghai, China.

Shanghai, China.
August 2, 1934.

Men and Events

The Ng Wah Trust and Shanghai Industrial Bank at 130 Ningpo Road announced suspension of its business August 21.

J. Arthur MacLean, curator in the Toledo Museum of Art, is re-visiting Peiping after an absence of twenty years.

Funeral services for the late Arne Jacob Eyde, late postal commissioner in Shanghai, were held at the Bubbling Well Chapel Aug. 18.

Em. P. Yannoulatos of the China Merchants' Pongee Association has been appointed acting consul-general for Greece in Shanghai with offices at 120 Jinkee Road.

Arthur F. Tower passed through Shanghai this week enroute to Bangkok where he is joining the American Legation, having been transferred there from Mexico City.

Li Ming, President of the Chekiang Industrial Bank, was the guest at a reception held in his honor on board the Hamburg-America Line ss. *Cordillera* in Berlin Aug. 14.

Chen Ti-cheng, Provincial Commissioner of Reconstruction for Fukien, proceeded to Nanking during the week to confer with the Central authorities concerning the reconstruction measures for said province.

The instruments of ratification of the Sino-Turkish Treaty were exchanged at Geneva Aug. 17 between Wunsz King, Chinese Minister to Belgium, and Nureddin Bey, Turkish Charge d'affaires, at Berne.

The Shanghai Tobacco Merchants' Guild, in a petition to the Executive Yuan Aug. 19 requested that the petition of the Chekiang Provincial Government for the prohibition of cigarette-smoking be rejected.

Lin Ko-ming, son of Lin Sen, Chairman of the National Government, who recently graduated from the Yenching University, departed for the United States Aug. 17 to pursue advanced studies in Columbia University.

Chinese in Annam have submitted a petition to the Government urging that the new Sino-French-Annam Treaty be ratified as soon as possible in view of the increasing oppression of the Chinese by the Annam authorities.

The Chinese mission for the study of traffic problems headed by Political Vice Minister of Communications General Yu Fei-peng visited Leipzig Aug. 17 in order to inspect the largest railway station on the European continent.

Accompanied by Wu Chun, Dean of the College of Education, Dr. Chang Mon-lin, President of the Peking National University, proceeded to Kuling this week to attend the annual meeting of the China Science Society.

Francis N. Mollitz, son of Mrs. Hanna Mollitz of Vienna, and Jean C. Reilly, of New York City, were married by Judge Helmick at the American Consulate in Shanghai Aug. 18. Mr. and Mrs. Mollitz will spend their honeymoon touring North China.

Sir Miles Lampson, high commissioner for Egyt and the Sudan and former British Minister to China, had a narrow escape from death when the plane in which we was traveling crashed near Alexandria August 18. As things turned out Sir Miles escaped uninjured.

Liu Wen-tao, Chinese Minister to Italy, is expected to arrive in Shanghai from Italy on Sept. 4. Immediately after his arrival Mr. Liu will proceed to Nanking to see Wang Ching-wei and then he will leave for Kuling for an interview with General Chiang Kai-shek.

The Library of the International Institute of Agriculture in Rome, which was recently transferred to the new building built for this purpose by the Royal Commission for the administration of the funds assigned to the Institute, has been reopened to the public since July 15.

Ninety per cent of all radio sets sold in Shanghai go to Chinese, according to P. S. Chien, president of the Commercial Radio Company, sole agents in China for the Majestic Radio. Ninety-nine per cent of radio advertising is placed with the Chinese broadcasting stations.

The sixth semi-annual general meeting of the executive committee of the National Child Welfare Association of China was scheduled to be held on Friday, August 24 at 5 p.m. at the Sun Yat-sen's Memorial Hall, Y.M.C.A. Building, 131 Museum road, Shanghai.

The Foreign Office at Nanking has been notified that R. G. Howe, new counsellor of the British Legation, will reside at Nanking and represent the British Minister, Sir Alexander Cadogan, when the minister is not in the Capital. Mr. Howe succeeds G. M. B. Ingram as counsellor.

The Southwest Political Council recently issued a mandate ordering appropriation of $1000 for defraying funeral expenses to the family of Lin Chi-mien, member of C. S. C. and the Southwest Political Council. The late Mr. Lin played an important role in every anti-rebel movement since the beginning of the uprising for the overthrow of Ching Dynasty. It was Mr. Lin who saved Dr. Sun Yat-sen when the latter was attacked in Canton by the rebels headed by Chen Chiung-ming in 1922.

Huang Pei-chiao, Managing Director of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways, who was recently appointed by the Ministry of Railways as special commissioner to investigate railway enterprises abroad, departed from Shanghai for Europe this week by the Dollar Liner *President Grant*.

Four routes have been tentatively mapped out for the projected tramway service in the Capital. The first route will run from Futzumiao to Hsiakwan; the second from Chungshanmen to Hsinchiehkow; the third route from Hsinchiehkow to Popingmen; and the fourth from Hanchungmen to Chungshanmen.

Ju Peon, well known Chinese artist, has returned to Shanghai after an extensive tour of Europe. He was commissioned last January by the Ministry of Education to exhibit modern Chinese paintings abroad and also to investigate the latest advances in art in Europe. He gave exhibitions in nearly every country in Europe.

Three Japanese, Kawakivo Maveda, manager of the Taiheiyo Ginko (which is practically run by Japanese) at No. 161 North Kin Street, Honolulu, Jinichi Tokunaga, book-keeper, and Sanji Katavama, cashier were arrested in said city recently, on charges of having embezzled about $180,000 from the bank during the last ten years. The whole capital of the bank is only $200,000.

Louis Beale, Commercial Counsellor of the British Legation, will proceed to England towards the end of this month on an official visit. It is proposed that he should make a tour of the leading industrial centers with a view to stimulating interest in the export trade from the United Kingdom to China. During Mr. Beale's absence A. H. George will act as Commercial Counsellor.

A Bland Calder, Assistant U. S. Commercial Attache, returned to Shanghai on August 17 from Japan where he went to meet C. Grant Issacs, U.S. Trade Commissioner, stationed in Manila who was returning to his post from a trip to Washington. Mr. Issacs, after a short time in Manila, will proceed to Singapore where he will be stationed in future. Mr. Isaacs is a native of Tennessee and is a specialist in textiles.

Upon her departure from Japan for home last week Mrs. Maria Walter, an elderly American woman, donated Yen 60,000 to poor children relief funds in Japan. She is reported to have started the establishment of a international childrens' league to promote world peace through children. As a step to achieve her long cherished hope, she carried out an exchange of messages between children of the United States of America and Japan.

Dr. John Wishart, eminent biological statistician and professor of statistics of the college of agriculture, Cambridge University is due to arrive in China from England September 1, for a four-months engagement with the National Agricultural Research Bureau. He will direct the field experiments conducted by the Bureau and will discuss with Chinese biologists and mathematicians major issues relating to biological statistics and theories of advance statistics.

The body of Robert H. Gast, American pilot of the ill-fated China National Aviation Corporation's Canton-bound Sikorsky-16, which disappeared April 10 over Hangchow Bay, was found in the bay near Tinghai about two weeks ago by authorities of Tinghai hsien, Chekiang. Belated news of the finding of the body was received in Shanghai during the week. At the request of his widow, Mrs. Dorothy Gast, the remains will be shipped to Chicago, where she now resides.

Tan Chen, Vice-President of the Judicial Yuen of the Chinese Government, who had been visiting London for the past several weeks studying the judicial system in England, proceeded last week to Belgium. After a brief visit to Brussels, Mr. Tan will continue his journey to Germany and Switzerland in September. He is planning to return to China by way of America in November to arrive China in time to attend the forthcoming 5th National Congress of Kuomintang Delegates at Nanking.

Walter Lippmann, editorial writer for the Ner York *Herald-Tribune*, is due to arrive in Japan next October to study conditions. It is expected he also will visit China and Manchukuo. The *Tokyo Asahi* believes the visit by the noted American publicist is connected with a suggestion made at New York by an influential American that a library be established in that city to disseminate Japanese literature in English, and that an investigating committee of Americans and Japanese be organized to study means of settling Pacific problems.

Japanese Naval Landing Party Carries Out Maneuvers in Shanghai

The Japanese Naval Landing Party carried out maneuvers in the night of August 20 in Shanghai and vicinity. About 1,200 men participated and all the equipment possessed by the Japanese Landing Party was brought into use.

Tanks, trucks, and motorcycles equipped with machine-guns were used. Leaving their headquarters at the new barracks on Kiangwan Road, at mid-night in a number of trucks, the marines proceeded to the vicinity of Hongkew Park and other parts in the Hongkew and western districts along the Settlement boundray, where they engaged in various military tactics. The maneuvers were the largest staged in the Settlement since 1932.

THE TEA INDUSTRY OF CHINA

(*Continued from Page* 505)

per day per hand, as the tea leaves must be uplcked as soon as they grow up, otherwise they will be too old.

The care and intent of the Tea Store proprietors and the tea merchants, i.e., tea traders, is to make as much money as possible, without the least idea of improving and developing the Chinese tea industry, and the tea planters are too poor to pay anv attention to scientific planting of tea and introducing machines for the manufacture of it, the Chinese tea trade with foreign countries declines year by year, and now culminates in a possible collapse before the foreign competition combined with world depression. Today we hear frequently the cries of saving and promoting the Chinese tea industry, and the Ministry of Industry is solemnly devising plans for the purpose, but prior to the extinction of the fundamental contradiction of the tea trading system, any attempt to bring about a successful improvement of the said industry is a matter of question.

Shanghai, August 21, 1934.

Chinese to Raise Legations to Embassies?

According to information from diplomatic sources the Chinese Government is considering the question of raising some Chinese Legations abroad to the status of embassies in the near future. The matter is engaging the serious consideration of the Foreign Affairs Ministry and it will be taken up with the Powers concerned in the future, it is learned. It is also pointed out (according to a Nanking message to the *China Times*) that the Foreign Ministry has no knowledge about the proposed elevation of the status of the Japanese Legation in China to that of an embassy. It is pointed out that the move came from the Japanese Government and the Chinese Government has not yet been consulted regarding the matter.

Japan May Raise Legation in China to Embassy

Plans for the raising of the status of the Japanese legation to China to that of an embassy are being seriously considered by officials of the Ministry of Foreign Affairs, a recent Tokyo message stated. The realization of the project, it was understood, depends upon whether the Ministry of Finance will grant the necessary credits for the elevation.

Tatsuo Kawai, First Secretary of the Japanese Legation in China, will be appointed Consul-General at Canton, succeeding Shigeru Kawagoe, who was appointed Consul-General at Tientsin some time ago.

Opportunities for Business Connections in U.S.A.

(Persons interested in communicating with any of the firms whose inquiries are listed herewith, are requested to communicate with the Commercial Office of the U. S. Consulate-General, Shanghai, mentioning the numbers preceding the specific inquiry).

219 — A New York firm wishes to act as buying and shipping agent for importers in China.

220 — An individual in Brookline, Mass., desires to contact Shanghai importers and exporters of general merchandise.

221 — A New York firm would like to get in touch with wholesalers and importers of silverware, toys, haberdashery, hardware, rubber goods, general merchandise and druggist's sundries.

222 (437)—A Cleveland firm offers a line of vitreous enamel, pottery glazes and other supplies for the ceramic industry; also heavy chemicals such as feldspar, flint, oxide, etc.

223 (438)—A Seattle firm offers old newspapers and old rubber tires.

224 (439)—A Boston firm offers its services as purchasing agent.

225 (340)—An internationally known manufacturer of goggles, headpieces, etc., for welding, metal sun glasses and industrial goggles, masks and respirators of all kinds desires a connection in Shanghai.

226 (441)—A Baltimore firm offers a line of Pennsylvania lubricating oils and greases. Samples of lubricating oils may be obtained from the Consulate General by a seriously interested party.

227 (442)—A Cleveland firm offers a highly attractive line of period and modern electric lighting fixtures and lamps.

228 (443)—A Los Angeles firm offers ladies' and children's hosiery.

229 (444)—A internationally known tire manufacturer desires to sell in this territory.

230 (445)—A very well known dental firm offers dental supplies and accessories as well as flexible shafting.

231 (446)—A gentleman in Pennsylvania seeks employment as a landcape architect.

232 (447)—A New York firm offers a line of earth-moving and road building maintenance machines.

233 (448)—A Delaware firm offers effervescent fruit salts.

234 (449)—A New York firm desires to market its ant destroying syrup in collapsible tubes.

235 (450)—A New York firm, acting as export agents for various American canners of fruit, vegetables, fish and meats, desires a Shanghai connection.

236 (451)—A Cleveland firm wishes to market its rust remover, rust arrestor and rust preventive.

237 (452)—An internationally known New York firm wishes a local representative to sell its dress patterns.

In the United States Court for China

FRANK HOWELL COLE, Plaintiff, vs. LILLIAN LOUISE COLE, Defendant.	Cause No. 3706 Civil No. 1693 ORDER Filed at Shanghai, China, August 7, 1934. William T. Collins, Clerk. L. T. Kenake, Asst. Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 30th day of June, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 4th day of August, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of June, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time, and that defendant's last known address was 126 Clarkson Avenue, Brooklyn, New York;

NOW, THEREFORE, it is this 7th day of August, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" Shanghai, China—a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 25th day of August, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 7th day of August, 1934.

MILTON J. HELMICK,
Judge.

CUSTOMS NOTIFICATION NO. 1381

The public is hereby notified that Parts I and II of the Customs Dety Memo. should be returned to the General Office, Custom House, immediately after payment of dues and duties to the Central Bank of China. Failure to return these documents at once to the General Office seriously hampers Customs routine and entails much delay.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 21st August, 1934.

Now On Sale

China Year Book 1934

The China Year Book should be immediately accessible to the staff of every office in China. Its 850 pages cover the whole field of political, financial and commercial activities in easy reference form, and makes its absence a definite handicap as much to the small trader as to the diplomat. Very little of the contents of this edition has appeared in previous issues. In the current issue, among other important documents, will be found:—

THE RAJCHMAN REPORT
DRAFT PERMANENT CONSTITUTION
BANKING LAWS
MANCHURIAN RAILWAYS
SINO-JAPANESE ISSUES

Price $20
Postage
China 50 cts.
Hongkong 80 cts.
Abroad $2.00

and special articles on currency, communications, cost of living, trade prospects and statistics, the Chinese Government, public justice, telegraph, telephone and postal information, and a Who's Who of nearly a thousand prominent Chinese personalities.

The China Year Book is not written by one man, but by a number of the principal Foreign and Chinese authorities on the various subjects dealt with. Among them are:

FATHER E. GHERZI: THE CLIMATE OF CHINA
MR. E. KANN: CURRENCY AND BANKING
FATHER P. M. D'ELIAS R. C. MISSIONS
DR. TA CHEN: LABOUR PROBLEMS
DR. M. T. Z. TYAU: GREATER SHANGHAI
MR. OWEN LATTIMORE: CHINESE TURKESTAN AND MONGOLIA
REV. C. L. BOYNTON: PROTESTANT MISSIONS
DR. J. B. GRANT: PUBLIC HEALTH

The Editor, who is himself a leading authority on Chinese affairs, is the author of several works on China, Editor of "Oriental Affairs" and has lived for over thirty years in the country.

On sale at all the leading booksellers or from the printers and publishers:

North-China Daily News & Herald, Limited

17 The Bund, Shanghai.

New Books of Interest in the Far East

The China Christian Year Book

China Christian Year Book, 1932-1933, *Frank Rawlinson, D. D., editor; published by the Christian Literature Society*, 1934. 583 *pages, with appendices and index.*

This issue of the Year Book, like its predecessor, covers two years. The foreign missionary staff is reduced in numbers and the Chinese in Christian work therefore carry heavier burdens so that the editor of the Year Book finds it increasingly difficult to secure writers for his publication. He laments a few missing chapters, but a review of the book's forty-six chapters makes one realize the scope of the editor's task. Space prevents a discussion of all this material so we mention briefly only a few topics.

Chapters of special interest to us are those by the Rev. Karl Reichelt, Kiang Wen Han, B. A., and John Earl Baker. The Rev. Mr. Reichelt writes of the present situation of Buddhism in China. Externally it is apparently in a decline, but it is not dying. "There are revivals and activities to be seen as never before and Buddhism is taking a new and strong grip on circles which were formerly not seriously interested therein." A recent visit to a Buddhist academy near the Tibetan border showed Mr. Reichelt the penetration and power of the monk, Ta Hsu. He also describes a recent Buddhist revival in the Wu-han center under the leadership of Tai Hsu. "It was a strange sight to see people from the upper classes, many of whom were moulded in the new and democratic ideas of new China, prostrating themselves and taking refuge in Buddha, Dharma and Sangha. Most of them were apparently in dead earnest. They came undoubtedly from genuine religious motives. As a Christian missionary I could not help but feel a stinging pain in my heart! Here were many religious and earnest people in Chinese society whom we should like to see fill our Christian churches and institutions. Here is the material for building up a strong, self-supporting and self-propagating church. But how shall we get in touch with these circles? Time and again I found during my journey that our good and hard-working Christian missionaries have no idea of these brotherhoods and Buddhist lay associations which are often established in the cities where they themselves are living and working. Pointing to the dilapidated temples and degraded monks they could only assure me that 'Buddhism is on the decline in this district'."

Mr. Kiang thinks that "religion does not hold an important place in the life and thinking of the students in China." These students are chiefly searching for a "way out." A "positive and aggressive Christian message" is needed for them.

Mr. Baker writes of the Chinese societies for relief and charity, and also tells of the way much of the assistance is given. His concluding paragraph is as follows:—"A review of the relief work accomplished in China during the year 1932 leads to the following conclusions: 1. That the National Government has the capacity to effectively administer relief during periods of disaster on a national scale. 2. That there is a widespread and sensitive feeling of obligation on the part of the Chinese people along benevolent lines. 3. That relief efforts are being directed increasingly toward preventive projects along constructive lines, both engineering and financial. 4. That there is a large number of Chinese benevolent institutions covering a wide variety in the form of distress relieved. 5. That many of these organizations need technical assistance in improving their methods as regards accounts, statistics and publicity."

The calendar of principal events, compiled by J. B. Powell is excellent, and the whole volume, with its index, shows the expenditure of much care. Those who are interested in missions in China will find it a veritable mine of information.

G. B. S.

August 8, 1934.

The March of the Bonus Army

B.E.F., the Whole Story of the Bonus Army, by W. W. Waters as told to William C. White; the John Day Company, New York, 1933. 288 *pages, with appendices. Illustrated.*

This purports to be the true story of the Bonus Army. William C. White says he wrote it as it was told him by W. W. Waters. He also consulted various documents, and has checked over, wherever possible, the events as narrated by the press-men and other informers. W. W. Waters makes it plain that the story is told with no malice or bitterness. "Coming three thousand miles overland with a few hundred men as their leader and soon commanding thousands of them, I can tell of the motives and desires which led men to initiate the Bonus March. Their ambitions have been seriously impugned by high official sources. It has been charged that the Bonus March was inspired, sponsored and supported by Communists. It has been said that the marchers intended to foment revolution and to take steps to overthrow our Government. These slurs on honest, American ex-service men must be corrected. I tell this story for the sake of putting the facts about the B.E.F. on accurate record. My position gave me an opportunity to see an amazing cross-cut, a close-up view of American life, in contacts with high government

officials, in daily meetings with the men in the ranks, and from thousands of letters received. In this record I have tried to describe that view of America to the reader. It is not a class-conscious America. It is a poverty-conscious America, demanding that something be done about it. The final eviction of the B.E.F. led to one of the most disgraceful episodes in recent American history. The full truth about the steps that led to that eviction and about the event itself must be on record."

The book fulfills this statement and gives a dispassionate view of the travels, hard times and meager results of the Bonus Marchers. It is a story of the aftermath of War, and as a document of Peace Propaganda is of considerable value. It also shows what non-violence may accomplish. Perhaps another demonstration of this sort of force may be more effective. The method is not the best, but under stress of circumstance it was better than application of force would have been.

G. B. S.

July 5, 1934.

Idol Worship in China and in the United States

No-Yong Park, a Chinese graduate of Harvard, has recently written a book entitled "An Oriental View," from which the following is an extract.

"In olden days the Christian missionaries used to tell the Chinese that it is a heathen practice to worship idols. Maybe it is, but the worship of the idol of stone or wood is rather harmless when compared with the worship of a movie star. The actress is just a human being, often low bred, and she can do society immeasurable harm. But because she is glorified, the masses (in America) copy every move of hers with audacity and eagerness. If she wears foolish costumes, all other women imitate her folly. If she utters a silly phrase it becomes the general catchword. If she marries in spring and changes husbands in the fall, divorce becomes a fashion. Thus the harm she can do is incalculable. Unless America frees herself from this worship or raises the character of the actors to a higher standard, one will have to change the Lord's Prayer so as to read: 'Hollywood be thy name; thy helldom come.'"

A Conventional Hawaiian Tale

Don't Give Up the Ship, by James T. Hamada, Meador Publishing Company, Boston, 1933. 190 pages.

This is a story of the Hawaiian Islands. It concerns itself with Bill Kane, who was a white man and who seemingly "went native".

There is very little to the tale. The situations are often unnatural and forced in treatment. The whole story lacks coherence. Those portions which concern the sea are better than those which involve the heroine. Of course there is a villain and various unexplained happenings complicate matters. Bill Kane is helped by his native friends and his story follows the round of the "lived-happily-ever-after" variety.

Recent Pamphlets Received

Chung Wha Hui Tsa Chih, a bilingual (Dutch-English) journal printed in Leiden (Netherlands) reports in its current issue a speech delivered by Wunsz King in the course of a dinner given by the Holland-China Association in Amsterdam, May 5 last.

Basanta Koomar Roy, who publishes a miniature journal in New York City called *The Oriental Press*, in a recent open letter to President Roosevelt suggested that he invite, beside Mr. Hirota of Japan, General Chiang Kai-shek of China, Mahatma Gandhi of India, and Foreign Commissar Litvinoff of Russia to the informal Honolulu Conference.

Progress at Nanking Is Described by Rotarian

Ralph A. Ward in an address before Shanghai Rotarians last week gave a history of Nanking including a description of recent improvements. He said last year the city government issued more than seven thousand permits for new buildings. Most of these structures were in modern style. A strong committee under immediate direction of the mayor is tackling the housing problem for the extremely poor. The University of Nanking is experimenting in wool weaving to promote a new small industry to take the place of the decreasing silk weaving industry in homes. The Theological Seminary conducted successfully a ricksha cooperative last year. On the basis of this experiment the city government has underwritten a substantial loan to increase co-operatives among the ricsha men next year. Bus lines are increasing. Ricsha men and donkey drivers are being crowded by taxis and buses and trucks. Social distances are obviously increasing. The capital is attracting more men of wealth and power and position in contrast to the large numbers of restless poor. Missionary schools and universities have been strongly developed in Nanking and are conducting their work under the approval of the government, well correlated to its general plan of education.

In the United States Court for China

In re.
Last Will & Testament
of
THOMAS COTTON
BRITTON, JR.,
Deceased

Cause No. 3698
Special Proceedings No. 982
NOTICE
Filed at Shanghai, China,
July 26, 1934.
William T. Collins, Cerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of THOMAS COTTON BRITTON, JR., deceased, to present the same with vouchers to the undersigned on or before February 4, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY,

Shanghai, China.

In the United States Court for China

In re.
Estate
of
EMILY WOOD
FEARON
Deceased

Cause No. 3711
Special Proceedings No. 986
NOTICE
Filed August 9, 1934.
William T. Collins, Clerk.
L. T. Kenake, Asst clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of EMILY WOOD FEARON, deceased, to present the same with vouchers to the undersigned on or before February 18, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

C. R. BURKILL,
20 Canton Road.

Shanghai, China.

Text of Dr. L. Rajchman's Report on League Co-operation with China

(Concluded from last week)

The Standing Advisory Committee of the National Economic Council for economic studies and planning, composed, as stated previously, of the Secretary-General of the Academia Sinica, the Directors of the Geological Survey and of the Governmental Research, and of the Chief Secretary of the National Economic Council, would find it convenient to obtain regularly from the League's Nanking office such information for its constituent institutions as was contemplated in the arrangement of 1931. The presence in the Nanking office for periods of time of experienced senior members of one of the two sections is particularly desirable at the time when the National Economic Council has selected for study and planning a number of problems with a view to concrete action.

As regards experts commissioned by the Technical Organization of the League, their missions should be conceived essentially as consultations in relation to clearly defined problems or groups of problems. The consultation should be preceded by requisite technical surveys and studies in China, which can best be effected by the Chinese technical and administrative authorities, institutions and individual specialists. Whenever possible the necessary documentation should be brought to Geneva by competent Chinese technical officers before the departure of the man or men selected for the consultation. With the adoption of such a procedure some progress could be made on the voyage, and the duration of the mission accordingly shortened. The consultation should as a rule relate to a contemplated action; the choice of the consultants is of primary importance, and it should be limited to prominent specialists of international authority.

It will be found that during the stage of specific application of plans or policies whenever representation of a League technical service may be desired for longer periods of time, such a representation should as a rule be entrusted to some one having intimate knowledge of the working methods of the international organization represented and a personal experience not limited exclusively to his own country. The practical examination of new aspects, new problems, new situations attendant on the development of any action would be demanded of him, and his primary preoccupation should be how to ensure the requisite technical contact with the outside world for the success of the work with which he is associated. Enjoying special facilities for travel in China, his presence would be utilized by his Chinese colleagues for speeding up the realization of the common plans.

4.—One of the most hopeful perspectives for the success of reconstruction in China lies in the manifold activities of a large number of its citizens specialized in many fields of technical work who carry on steadily, away from the limelight of publicity, in a spirit of public service and guided by the interest of accomplishment. These men had known disillusionments attendant on changes of political programme and political regime. They had passed through bitter experience of calamity and war at home and the ineffectiveness of measures of international collaboration on major issues; they have attached themselves resolutely to positive development work, and some of them to the task of planning how best to build up their own country under all the present circumstances. Their background of solid technical knowledge was acquired partly in China, partly abroad. Having given a good deal of thought to the study of the working of the economic machinery of leading countries in the world, many of them have gained a remarkable—and perhaps generally unsuspected—insight into the Western practice in fields of public endeavour—financial, economic, industrial and agricultural—and often also into the philosophy underlying public policy in foreign lands. In short, China can count to-day on men with the requisite expert knowledge and clear understanding of their own technical needs and of the type of reform or improvement required. Except for some specialized domains, these men and their younger associates are capable of meeting under favourable general conditions the exigencies of the situation. But only a few have as yet shared the burden and responsibility of office; and while their knowledge of the problems facing the leading countries and the manner in which they are met is generally accurate and at times illuminated, they have not had abroad, save in exceptional cases, opportunities for definite association in the practice of public life or of industrial enterprise, or of the application of economic policies.

5.—The constitution and structure of the League's technical organization permit of considerable elasticity, and it can therefore find adequate utilization in further supplementing the modalities of collaboration. There is no doubt that greater emphasis should be laid on visits of Chinese specialists abroad than has hitherto been the case. At present contacts abroad are limited mainly to diplomatists and such eminent intellectuals as are fully conversant with foreign languages. Technical contacts between men holding responsible positions in economic and public life should be multiplied and placed on an organized basis. There is available in the Secretariat of the League and at the International Labour Office a wealth of unique material and a very special technical experience got together during 14 years of intense economic, social, and political re-adaptation of the world to new conditions during this period of transition from the economic and political order as obtaining before the World War to that still in process of active evolution. China participates in this process perhaps more acutely than many other countries. The Revolutions of 1911, 1925 and 1927 have marked various stages of this profound transformation which started as a movement of emancipation from an obsolete internal political regime, from obsolete external conventional relationships, from obsolete customs of economic activity, social life, and system of education. The present stage is marked by a search for a new structure for economic and financial development, for social transformation and a new political orientation. Certain phases of this process have been described in preceding pages. The technical collaboration through the League should provide facilities for a close working association with men in institutions having technical responsibility in the various countries for framing and executing policies in the spheres of economic activity and economic and social reform. The following may be some of the concrete forms of this association:—

(1) Systematic and planned utilization of the archives of the Secretariat of the League and the Labour Office under the guidance and with the experience of the staff members of the two institutions.

(2) Similar facilities might be arranged with the Secretariat of the Bank of International Settlements, of various national economic and planning councils, and kindred leading institutions in Europe and the United States.

(3) Technical commissions and sub-committee of the League and of the Labour Office should invite active participation, not only in their sessions, but particularly in their concrete studies, of Chinese specialists who will be found among the group of men whose competence and interests have just been described.

(4) Experimental and other investigation of certain technical problems affecting Chinese reconstruction may be entrusted to leading institutions of economic and industrial study abroad, with the understanding that Chinese specialists should participate in the conduct of these studies; the precise method would clearly depend on the nature of the question to be investigated.

(5) The practice established by the Health Organization of giving facilities to senior technical officers of the Government for acquiring special experience with foreign services of a kindred character, if spread to other fields, would prove of distinct advantage.

(6) Arrangements recently proposed by the Ministry of Education to the International Institute of Intellectual Co-operation for the guidance of the studies of young Chinese students abroad, if properly developed, may prove of great importance.

I would beg leave to examine with the Technical Organizations and with the Labour Office the appropriate methods which may be recommended in relation to the various categories of problems and of individual experience. After a detailed examination of these possibilities the Standing Advisory Committee and the Labour Office would be in a position to present concrete proposals.

6.—The final decision of the Central authorities to appropriate $15,000,000 for the activities of the National Economic Council in 1934, or three times the amount spent during the preceding two years, ought to give assistance and encouragement to provincial authorities in areas which the Government has deemed proper to select, and to afford guidance for economic activity in the few selected fields. Thus a firm foundation has been built on which a national machinery of economic development can now be based. It was the desire to create such a machinery which prompted the Government three years ago to establish the National Economic Council. The institution had to develop under the grave conditions prevailing in China and abroad during the last three years, and it is not surprising that the form of its structure had to be evolved in contact with the realities of the situation which necessitated considerable elasticity in determining its constitutional position and administrative competence. Membership of its Standing Committee is entrusted to holders of the most important offices in the State, who thus take under their auspices the systematic study and planning, as well as the responsibility for providing credits for field activity. It is the Standing Committee, which determines also proposals for technical collaboration with and through the League, which need not necessarily be limited to activities financed or directly undertaken by the National Economic Council. It may, and does, include co-operation with any technical Ministry or Commission, requisite arrangements being made through the Standing Committee.

7.—This collaboration should continue to be based on the arrangements concluded in 1931 and continued in 1933; it will be carried out with elasticity permitted by the constitution of the League Technical Organization and required by the changing economic and political order of the present day. It will aim at associating the national technical services of China with those engaged in a similar endeavour in the other countries, and by so doing to contribute at the same time to strengthening the foundation and the function of national machinery for the economic development of China.

8.—A survey of the economic and financial situation of China to-day was recently completed, at the request of the National Economic Council, by Sir Arthur Salter, who lately spent three months in China at the invitation of the Council to study economic and financial topics. The report discusses in succession:—

China during the world depression.
The Chinese dollar and other currencies.
The drain of silver into Shanghai.
The balance of foreign payments.
The balance of trade.
The fall of prices.
Currency and currency policy, as related to external and internal conditions.
The re-entry of foreign capital into China.
The budget of the Central Government and of the provinces.
The public indebtedness.
Agricultural production.
Industrialization.
Railways.
Roads.

It provides abundant material on which to build an active policy of economic development.

Robbery Suspect in McLure Case Released on Appeal

Chang Tsou-ming, son of a well-to-do Shanghai family, a suspect in the Seth, Mancell-McLure robbery, has been released by the Chinese Court in the French Concession on $10,000 cash bond and shop security. The order of release was permitted on request of Chang's attorney, saying that Chang has been sick lately in the jail. The temporary freedom given by the court is to enable him to receive medical treatment outside of court. Chow Ching-keng, the compradore who made the complaint, and his attorney Yen Loo-ching were both counter-charged in the same court by the families of the robbery suspects with extortion. Attorney Yen was convicted and sentenced to a long jail term, but is out on bail pending appeal.

Are You Being Forced Into Premature Retirement?

You would like to be able to retire at forty-five, wouldn't you? but not if you were forced to do so through illness.

Many a man at this age finds his health seriously impaired and compulsory retirement is the inevitable result.

Don't allow yourself to get into this condition—there are many signs of failing health which serve as a warning, and if prompt measures are taken matters may speedily be put right.

If you are depressed, nervy, listless, lack appetite and strength, are easily tired, have trouble with your digestive organs, sciatica, rheumatism, neuralgia, look to the condition of your blood which has most probably grown thin, watery, impure.

If you have any of these symptoms your urgent need is a course of Dr. Williams' Pink Pills, the world famous remedy which is specially devised for the treatment of all illnesses which have their origin in a weakened, run-down condition of the blood.

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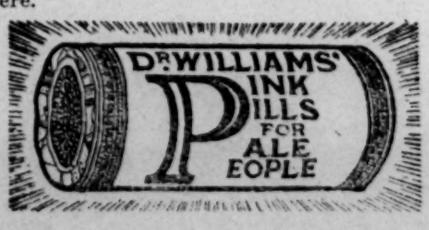

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Real Estate Review by Realty Investment Co.

The large section of the Western District, north of Connaught Road, is constantly being improved and yet little known to the average citizen of Shanghai. The large monumental clock tower in the circle made by the intersection of Ferry and Robison Roads, might be taken as the center of this district. The newest S.M.C. public market is just off this circle, and likewise the scheduled S.M.C. swimming pool is also to be in this district. The scheduled dredging of the Soochow Creek will promote this section further, as can be quickly seen from a glance at the map.

The large permit for the week is in this section on Macao Road, east of Seymour Road Extension; plans have been approved for three factory buildings, offices, one godown, three store rooms, work shop and boiler room. Another permit has been approved in this same section for additions to Staff Quarters on Moji Road, north-west of Haiphong Road; a third permit is for six garages on Ichang Road, east of Gordon Road; a fourth for two Chinese hongs on Gordon Road, north-east of Robison Road; and a fifth for six Chinese hongs on Penang Road, west of Ferry Road. There are three other permits in the Western District, viz.,—two temporary school buildings on the corner of Bubbling Well and Hart Roads; a Chinese hong, garage and gate house off Medhurst Road, between Moulmein and Yates Roads; and ten Chinese bungalows off Taku Road, south-west of Chengtu Road.

In the Eastern District there are the following permits: Additions to a rubber factory on Chemulpo Road, south-west of Kwenming Road; extensions to soap factory off Lungkow Road Extension and Hochien Road; six Chinese houses off Linching Road, north-east of Hochien Road; two boundary walls and entrance gates Tsitsihar Road, south-east of Rangoon Road; additional office with quarters Poyang Road near the junction of Point Road; a hospital building Meichow Road, north-east of Yangtszepoo Road; three Chinese shops Kinchow and Tongshan Roads; and ten Chinese shops and eighteen Chinese houses with boundary wall and gate house on the corner of Yalu and Dixwell Roads.

In the Central District there are two small permits on Tientsin Road, north-west of Honan Road, one is to alter a bank building and the other is to construct a Chinese hong. Both Tientsin and Ningpo Roads in this section have many new buildings under construction.

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The National City Bank of New York, Rates of Exchange

Shanghai, Aug. 22, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.83
Demand buying rate on America:	U.S.$100=Sh. $ 2.80
Demand selling rate on London;	£100=Sh. $14 43
Demand rate buying on London:	£1.0.0=Sh. $14.22

Latest New York Stock Exchange Quotations

August 22, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Last Sale Mon. Aug. 20	Tue. Aug. 21
4	3	—	Adams Express	7	7⅛
13¾	11⅛	0.60	Alaska Juneau	20⅛	21
83	70⅝	6.00	Allied Chemical & Dye	126	129
160	19½	4.00	American Can	96½	9[illegible]⅜
107⅛	5⅝	—	American & Foreign Power	7⅜	7⅛
19⅝	3½	—	American Metal Company	19¾	20
27¼	10⅜	—	American Smelting	36½	38¼
53½	86½	9.00	American Tel. & Tel.	110⅝	11[illegible]¾
134⅜	50⅜	5.00	American Tobacco "B"	71½	76
94⅜	10⅞	1.00	American Waterworks	16	16⅝
43¼	5	—	Anaconda Copper	12	1[illegible]⅜
22⅞	5⅛	—	Atlas Corporation	9⅛	9⅛
18⅝	31	2.00	Auburn Automobiles	19¼	22½
81¼	8¼	—	Baltimore & Ohio	15	16¼
37⅝	10¼	—	Bethlehem Steel	27	26¼
49½	18	1.60	Borden Company	25½	26¼
97⅝	5½	0.25	Borg Warner	20⅞	21⅝
28½	7½	—	Canadian Pacific Railway	14⅝	13⅝
20⅞	80½	—	Case, J. I.	3[illegible]½	41
103½	16⅝	1.40	Chase National Bank	24⅝	25¼
47⅞	14⅞	2.50	Chesapeake Corporation	29	40¼
52½	7⅝	1.00	Chrysler Corporation	32¼	34¼
59	9	0.50	Columbia Gas & Electric	8½	9
28½	1⅝	—	Commonwealth & Southern	1⅝	1⅝
61½	34½	3.00	Consolidated Gas of N. Y.	27	27¼
64½	4⅞	—	Continental Oil	18	18¼
22½	2⅝	—	Coty Inc.	4⅜	5
9	1¼	—	Curtiss Wright Company	2⅜	2⅝
5¼	82¼	*2.00	Du Pont de Nemours	88⅝	90⅝
103⅞	46	3.00	Eastman Kodak	98	98½
100⅝	10	—	Electric Bond & Share	10⅞	11¼
41⅝	3⅛	—	Electric Power & Light	3⅞	4⅛
15⅝	12	—	Fox Film "A"	10½	10½
10	2⅞	—	General Aviation	3⅝	3⅝
10⅝	10½	0.40	General Electric	18⅝	19
30¼	21	1.50	General Foods	29⅞	30⅝
39⅞	10	1.00	General Motors	29	30⅝
47	13¼	1.00	General Railway Signal	26	28
49¼	12	1.20	Gold Dust	17¼	17⅝
27⅝	9¼	—	Goodyear Tire & Rubber	21⅝	24
47½	8⅛	—	International Cement	28½	22⅝
40	13⅝	0.60	International Harvester	26	27
46¼	6⅝	—	International Nickel	25⅝	25⅝
29	5½	—	International Tel. & Tel.	10⅝	10¼
21⅝	21¼	—	Johns Manville	43½	48⅝
66⅝	7⅝	—	Kennecott	18⅝	19⅝
26	87½	2.40	Lehman Corporation	Unq.	67
79⅝	49¼	*4.00	Liggett & Myers "B"	96	97½
99⅝	8½	1.00	Loew's Inc.	26⅞	28
28½	10⅝	1.20	Lorillard P. (Com.)	17½	18¼
25¼	8⅝	—	Montgomery Ward	22¼	23¼
35⅝	16⅝	1.00	National City Banks (bid price)	2[illegible]⅝	23¼
64¼	5⅝	—	National Distiller	18¼	19½
41⅝	14	—	New York Central	20½	22½
58½	12⅜	8%-S	North American	13¼	13½
38¼	21½	2.00	Owens Illinois Glass	67	68
96⅝	15	1.00	Pacific Gas & Electric	15¼	16
31⅞	1⅜	—	Packard Motors	3½	3¼
67⅝	13⅝	0.60	Pennsylvania Railroad	2[illegible]½	23¼
42½	1⅛	—	Pennroad Corporation	1⅞	2
6⅜	4⅜	—	Phillips Petroleum	16¼	16⅜
20⅝	3	—	Radio Corporation	5½	5⅝
12¼	26½	3.00	Reynolds Tobacco "B"	45¼	48⅝
54¼	12½	—	Sears Roebuck	34	36½
51¾	6	1.00	Socony-Vacuum Corporation	15	15⅝
19¼	14¼	2.00	Southern California Edison	13⅝	13⅞
28	5⅛	—	Standard Gas & Electric	7⅝	8⅝
22¼	22⅝	1.00	Standard Oil Co. of N. J.	44½	44½
50¼	45⅝	3.80	Sterling Products	5[illegible]⅝	53
61⅝	1½	—	Studebaker	3	3
9	10⅜	1.00	Texas Corporation	23⅝	23½
30¼	2⅝	0.12	Transamerica	5⅜	6
9⅜	19⅜	1.00	Union Carbide & Carbon	41⅜	41½
81⅞	61¼	6.00	Union Pacific	96	98
133⅞	16½	—	United Aircraft & Trans.	16⅜	16
46⅞	4¼	—	United Corporation	4	4
14¼	13¾	1.20	United Gas Improvement	14⅜	14⅜
28	2⅜	—	U. S. Rubber	16	17¼
25	22⅝	—	U. S. Steel	33½	34½
67¼	21½	*2.00	Universal Leaf Tobacco	Unq.	21⅝
51½	19⅜	—	Vanadium	16½	17¼
31⅜	25¼	—	Warner Bros. Pictures	4	4⅜
9¼	7¼	—	Westinghouse E. & M.	31	33¼
58⅜	23⅜	2.40	Woolworth	48⅜	49⅝
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44⅞	25	5.00	Amer. & For. Power 5% debs. of 2030	5 ⅜	51
59½	25	6.00	American Waterworks $6 preferred	65	65
80	18	5.50	Cities Service Power & Light 5½s/52	40	40¼
48½	31	6.00	Electric Bond & Share $6 preferred	43½	44⅝
66	35	4.50	Int. Tel. & Tel. conv. 4½s of 1939	64	64⅜
69⅜	9½	5.00	New England Gas & Electric 6s 1947	56⅜	56⅜
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